



ROSE INSTITUTE
OF STATE AND LOCAL GOVERNMENT
CLAREMONT MCKENNA COLLEGE

2026

VIDEO VOTER GUIDE

TO CALIFORNIA'S BALLOT MEASURES



Companion Backgrounders



**SCAN TO WATCH THE
2026 VIDEO VOTER GUIDE**

**OR GOT TO:
[ROSEINSTITUTE.CMC.EDU](https://roseinstitute.cmc.edu)**

CALIFORNIA PROP 01

Authorizes Bonds for Affordable Housing Programs

Purpose

This measure, proposed by the legislature, would authorize \$11.25 billion in general obligation bonds to fund affordable housing and homeownership programs, with repayment coming from the state's General Fund over time.¹

Research Assistant: Toby Forster '29

Background

California has a housing affordability crisis. Despite recent stabilization, California housing costs have risen sharply since the COVID pandemic in 2020. According to the California Legislative Analyst's Office (LAO), California's mid-tier home prices are now more than double the national average, while entry-level home prices are 30% above the national average.² In response, the state has increased its focus on affordable housing, almost tripling the number of homes it subsidizes over the past six years.³ The state offers nonprofits and housing developers inexpensive loans and grants for new housing units, which then must be rented or sold to low-income Californians.

To fund construction and housing costs, California has historically used general obligation (GO) bonds. The state repays GO bonds over time through its General Fund. Since 1990, California has repeatedly used GO bonds to pay for housing assistance,⁴ often coupling housing subsidies with support for military veterans. Most recently, in 2024, Californians approved a \$6.38 billion housing bond measure, with \$2 billion specifically dedicated to affordable housing.⁵

Figure 1. Spending Breakdown of Proposition 1²²

Affordable Multifamily Housing Programs	\$7.2 billion
Veterans Housing Program	\$1.25 billion
Homeownership Programs	\$1.1 billion
Infrastructure Programs	\$500 million
Farmworker Housing Program	\$450 million
Higher Education Student Housing Programs	\$350 million
Tribal Housing Program	\$200 million
Local Pilot Programs	\$200 million

Proposal

Proposition 1 would allow the state to sell \$11.25 billion in GO bonds, with the funding divided into different housing programs.

As Figure 1 shows, the majority of Proposition 1 bond funding (\$7.2 billion) would go to acquiring, building, or renovating rental housing, such as apartment buildings. Other funds would assist low- and moderate-income households, veterans, and farm workers in purchasing housing. The measure would also fund infrastructure projects such as water, sewage, and parks necessary for new housing, and it would provide funds to California public universities to assist with student housing.

The LAO estimates that the bonds could be used toward 40,000 multifamily rental units, 2,500 units for farmworkers, and about 1,200 beds for university students. The funds would also help as many as 40,000 households, including about 2,100 veterans, with homeownership.⁶

Fiscal Impact

Veterans who participate in the housing program would make a monthly payment to the state; as a result, the state would need to repay only \$10 billion instead of the full \$11.25 billion.⁷ The LAO predicts the cost to the General Fund would be \$500-600 million annually for the next 25 years.⁸ Including interest and adjusting for inflation, the state would ultimately pay 15% more than if it paid upfront. Additionally, the state estimates an increase in administrative costs to accommodate the expansion of housing programs. However, these costs are covered in the pre-planned bond spending.⁹

SUPPORT FOR PROPOSITION 1

Supporters of Proposition 1 Include:

- California Democratic Party
- Governor Gavin Newsom (D)¹⁰
- ACLU California Action¹¹
- League of California Cities¹²
- California-Hawaii NAACP State Conference¹³

The proponents' official website is <https://yesonprop1ca.com>.

As of September 19, 2026, proponents had raised \$42,037,117.¹⁴ Building a Better California donated \$33,958,054 to the Yes on Prop 1 campaign.¹⁵

Arguments for Proposition 1

Supporters argue Proposition 1 would:

- Increase funding for housing without raising taxes or using tax dollars.¹⁶
- Honor the country's veterans and expand the existing CalVet Home Loan Program.¹⁷

OPPOSITION TO PROPOSITION 1

Opponents of Proposition 1 Include:

- State Assembly Member David Tangipa (R-8)¹⁸
- Reform California¹⁹

Currently, no official campaign has formed to oppose Proposition 1. As of September 19, 2026, opponents had raised no funds to defeat the proposition.²⁰

Arguments Against Proposition 1

Opponents argue Proposition 1 would:

- Increase debt and long-term spending at a time when the state has sufficient other resources to support veterans and provide more affordable housing.²¹

A YES VOTE ON PROPOSITION 1

A **YES** vote on Proposition 1 would allow the state to issue \$11.25 billion in bonds in order to fund numerous income-qualified housing programs, including the Multifamily Housing Program and veteran home loan program.

A NO VOTE ON PROPOSITION 1

A **NO** vote on Proposition 1 would not authorize the state to issue \$11.25 billion in bonds in order to fund these programs.

Endnotes

- 1 The text of the proposition is at California Secretary of State, *Official Voter Information Guide, General Election, November 3, 2026*, pp. 100-105, <https://vig.cdnsos.ca.gov/2026/general/pdf/complete-vig.pdf>.
- 2 Bentz, Alex, "California Housing Affordability Tracker (1st Quarter 2026)," California Legislative Analyst's Office (LAO), accessed August 2nd, 2026, <https://lao.ca.gov/LAOEconTax/Article/Detail/793>.
- 3 Davalos, Monica, "Proposition 1: California's Veterans and Affordable Housing Bond," California Budget & Policy Center, accessed August 1, 2026, <https://calbudgetcenter.org/resources/proposition-1-californias-veterans-and-affordable-housing-bond/>.
- 4 LAO, "Implementation of the Housing Bond," Analysis of the 2007-08 Budget Bill: General Government, accessed August 1, 2026, https://lao.ca.gov/analysis_2007/general_govt/gen_o2_an107.aspx.
- 5 Ballotpedia. "California Proposition 1, Behavioral Health Services Program and Bond Measure (March 2024)," accessed August 2, 2026, [https://ballotpedia.org/California_Proposition_1_Behavioral_Health_Services_Program_and_Bond_Measure_\(March_2024\)](https://ballotpedia.org/California_Proposition_1_Behavioral_Health_Services_Program_and_Bond_Measure_(March_2024)).
- 6 LAO, "Proposition 1."
- 7 LAO, "Proposition 1."
- 8 LAO, "Proposition 1."
- 9 See the LAO's "Overview of State Bond Debt" in CA Secretary of State, *Official Voter Information Guide*, p. 80.
- 10 Office of Governor Gavin Newsom, "Governor Newsom Signs Historic Housing Bond Set for Voters on the November Ballot," June 25, 2026, <https://www.gov.ca.gov/2026/06/25/governor-newsom-signs-historic-housing-bond-set-for-voters-on-the-november-ballot/>.
- 11 Ballotpedia, "Proposition 1."
- 12 Ballotpedia, "Proposition 1."
- 13 California State Senate, Senate Rules Committee, Office of Senate Floor Analyses, "SB 417: The Veterans and Affordable Housing Bond Act of 2026," prepared by Alison Hughes, July 7, 2026, https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260SB417.
- 14 Ballotpedia, "Proposition 1."
- 15 Ballotpedia, "Proposition 1."
- 16 CA Secretary of State, *Official Voter Information Guide*, p. 18.
- 17 CA Secretary of State, *Official Voter Information Guide*, p. 18.
- 18 Ballotpedia, "Proposition 1."
- 19 Reform California, "CA Statewide Voter Guide," accessed August 3, 2026, <https://www.reformcalifornia.org/voter-guides/california>.
- 20 Ballotpedia, "Proposition 1."
- 21 Ballotpedia, "Proposition 1."
- 22 LAO, "Proposition 1: Authorizes Bonds for Housing Affordability Programs. Legislative Statute," July 14, 2026, <https://lao.ca.gov/BallotAnalysis/Proposition?number=1&year=2026>.

CALIFORNIA PROP 02

Strengthens State Rainy Day Fund

Purpose

Proposition 2 is a constitutional amendment, placed on the ballot by the legislature, that would strengthen California's rainy day fund by increasing the cap on how much money the state can set aside each year. The measure also would make it easier for the state to use tax revenues to pay down debt.¹

Research Assistant: Arushi Goyal '28

Background

The Budget Stabilization Account (BSA), also known as the rainy day fund, is California's largest state budget reserve. The state uses this fund to save money when revenues are strong and to reduce cuts to public services when revenues are weak. This fund is especially important in California because the state's revenues depend heavily on taxes on the incomes of high-income residents, which can vary greatly from year to year, thus creating "boom and bust" budget cycles.²

The state automatically sets aside 1.5% of General Fund revenues each year. It also sets aside "excess" capital gains revenues in years when they exceed 8% of General Fund tax revenues. Generally, the state deposits 50% of these set-aside revenues into the rainy day fund and uses the other 50% to pay down certain types of state debt. Currently, the state can use these excess revenues to pay down only pension and retiree health debt, and cannot make extra payments on other forms of debt such as unemployment insurance debt and certain education and Medi-Cal obligations. This requirement is set to end in 2030, after which some or all of that money may be put into the rainy day fund.³

Under current law, the rainy day fund is capped at 10% of estimated General Fund tax revenues. When this limit is reached, any dollars that would otherwise go into the rainy day fund must be spent on infrastructure.⁴ California also has a constitutional spending cap, commonly known as the Gann Limit, which was passed by the voters as Proposition 4 in 1979 and which capped spending at 1978-79 levels, adjusted each year for inflation and population growth.⁵ Most spending counts toward this limit, including money deposited into reserves. Withdrawals from state reserves during budget emergencies do not count against the Gann Limit, but when state revenues are high, the spending cap can limit California's ability to build its reserves.

The rainy day fund can be tapped only during a budget emergency. The governor must formally declare an emergency before deposits can be reduced or suspended or money can be withdrawn. The declaration can come late in the fiscal year, sometimes after the legislature's deadline to pass a budget. This can leave lawmakers passing a budget that assumes an emergency before one is officially declared.⁶

In the state legislature the vote to place this measure on the ballot was 59-8 in the Assembly and 29-2 in the Senate.⁷

Proposal

If approved, Proposition 2 would:⁸

- Double the BSA cap from 10% to 20% of estimated General Fund tax revenues.
- Set aside more General Fund revenues during "boom" years.
- Expand the types of state debt that may be paid down with set-aside revenues.
- Extend the debt-paydown requirement by 10 years, to 2039-40.
- Change how rainy day fund and other deposits count toward the Gann Limit.
- Create a simpler process for declaring a budget emergency.

Fiscal Impact

The LAO estimates that Proposition 2 would increase the state's budget reserves. Having more money in the BSA would make it easier for the state to balance its budget during downturns. The measure could also cause the state to pay down debt more aggressively.⁹

SUPPORT FOR PROPOSITION 2

Supporters of Proposition 2 Include:¹⁰

- California Democratic Party
- Governor Gavin Newsom
- Attorney General Xavier Becerra
- LA Chamber of Commerce
- League of Women Voters of California

Arguments for Proposition 2

Supporters argue Proposition 2 would:

- Help prevent “boom-and-bust” budget cycles that cause fiscal instability.¹¹
- Help the state protect vital services and avoid deeper cuts during downturns.¹²
- Prevent politicians from overspending during “boom” years.¹³
- Pay down debt faster.¹⁴

OPPOSITION TO PROPOSITION 2

Opponents of Proposition 2 Include:¹⁵

- California Republican Party
- Reform California
- California Chamber of Commerce

Arguments Against Proposition 2

Opponents argue Proposition 2 would:

- Make taxpayer rebates less likely.¹⁶
- Reduce “spillover” funding for infrastructure.¹⁷
- Reduce availability of revenues to support urgent spending needs.¹⁸
- Allow rainy day set-asides to repay unemployment insurance debt, thereby shifting costs from businesses to the state without fixing the underlying UI system.¹⁹

A YES VOTE ON PROPOSITION 2

A YES vote on Proposition 2 would change the rules for building state budget reserves and paying down debt, resulting in larger reserves and expanding the types of state debt that could be repaid with General Fund revenues.

A NO VOTE ON PROPOSITION 2

A NO vote would preserve current rules for state budget reserves and debt payments.

Endnotes

- 1 The text of the proposed constitutional amendment is at California Secretary of State, *Official Voter Information Guide*, General Election, November 3, 2026, pp. 106-109, <https://vig.cdn.sos.ca.gov/2026/general/pdf/complete-vig.pdf>.
- 2 California Legislative Analyst's Office (LAO), "Building Reserves to Prepare for a Recession," March 7, 2018, <https://lao.ca.gov/Publications/Report/3769>
- 3 California Budget & Policy Center, "Should Voters Approve Proposition 2? How California's Rainy Day Fund Would Be Updated," accessed August 17, 2026, <https://calbudgetcenter.org/resources/should-voters-approve-proposition-2-how-californias-rainy-day-fund-would-be-updated/>.
- 4 California Budget & Policy Center, "California's Rainy Day Fund and Other Budget Reserves: An Overview," accessed August 17, 2026, <https://calbudgetcenter.org/resources/californias-rainy-day-fund-and-other-budget-reserves-overview/>.
- 5 California Budget & Policy Center, "Q&A: Why Hitting the Gann Limit Threatens Ongoing Investments in Californians," accessed August 17, 2026, <https://calbudgetcenter.org/resources/qa-why-hitting-gann-limit-threatens-ongoing-investments-in-californians/>.
- 6 California Budget & Policy Center, "Should Voters Approve Proposition 2?"
- 7 California Legislature, "ACA-20 Save for California's Future Act. (2025–2026): Bill Votes," California Legislative Information, June 25, 2026, https://leginfo.ca.gov/faces/billVotesClient.xhtml?bill_id=202520260ACA20.
- 8 California Budget & Policy Center, "Should Voters Approve Proposition 2?"
- 9 California Legislative Analyst's Office (LAO), Propositions on the November 3, 2026 Ballot, "Proposition 2," accessed August 17, 2026, <https://lao.ca.gov/BallotAnalysis/Proposition?number=2&year=2026>.
- 10 CA Secretary of State, *Official Voter Information Guide*, p. 5.
- 11 CA Secretary of State, *Official Voter Information Guide*, p. 25.
- 12 Ballotpedia, "California Proposition 2, Budget Stabilization Account Cap Increase and Gann Limit Changes Amendment (2026)," accessed September 2, 2026, [https://ballotpedia.org/California_Proposition_2_Budget_Stabilization_Account_Cap_Increase_and_Gann_Limit_Changes_Amendment_\(2026\)](https://ballotpedia.org/California_Proposition_2_Budget_Stabilization_Account_Cap_Increase_and_Gann_Limit_Changes_Amendment_(2026)).
- 13 CA Secretary of State, *Official Voter Information Guide*, p. 5.
- 14 California Budget & Policy Center, "Should Voters Approve Proposition 2?"
- 15 CalMatters, "Proposition 2: Rainy Day Fund," CalMatters, accessed August 21, 2026, <https://calmatters.org/california-voter-guide-2026/proposition-2-rainy-day-fund/>.
- 16 CA Secretary of State, *Official Voter Information Guide*, p. 5.
- 17 California Budget & Policy Center, "Should Voters Approve Proposition 2?"
- 18 California Budget & Policy Center, "Should Voters Approve Proposition 2?"
- 19 California Budget & Policy Center, "Should Voters Approve Proposition 2?"

CALIFORNIA PROP 03

Makes permanent existing voter-approved income tax rates for high-income Californians

Purpose

Proposition 3, a constitutional amendment proposed by the legislature, would make permanent the existing voter-approved income tax rates on high-income Californians, which are currently set to expire in 2031, and to allocate the resulting revenues to K-12 schools and community colleges.¹

Research Assistant: Shayan Abbasi '29

Background

The personal income tax is California's largest revenue source. It provides more than half of the state's General Fund, the state's main operating account, which funds public services including education, health care, and corrections. The tax applies to most types of income, such as wages, salaries, interest, and capital gains, which the state treats as ordinary income. California's income tax rates are progressive, starting low and gradually rising for taxpayers with higher incomes.²

Over the past two decades, voters have approved or extended tax increases on high-income earners several times.

- In 2004, voters approved Proposition 63, a 1% surcharge on income taxes of residents with taxable income of more than \$1 million.
- In 2012, amid the fiscal challenges brought on by the Great Recession, California voters approved Proposition 30, which temporarily increased income tax rates on high-income

taxpayers to fund state services and stave off cuts to public education. This measure raised the top marginal rate from 9.3% to 12.3%. Combined with the 1% surcharge, the state's income tax on the highest earners became 13.3% — the highest in the nation.

- In 2016, voters approved Proposition 55, which extended these higher income tax rates through 2030, with 63% voting yes.³

The top 2% of California taxpayers pay these higher rates (10.3% or higher), and these taxpayers now pay about half of all state income taxes. Since Proposition 30's initial passage in 2012, the measure has raised more than \$104 billion for schools and other state services and has become a foundational part of the state's budget and its Rainy Day Fund.⁴

Figure 1 shows the income tax rates for Californians under current law, which will continue if Prop. 3 passes, and how the rates for high-earners will decrease after 2030 if Prop. 3 is rejected.⁵

Figure 1

Personal Income Tax Rates Under Proposition 3

Single Filer's Income	Joint Filers' Income	Marginal Tax Rate		
		Now Through 2030	After 2030, if This Proposal Is...	
			Approved	Rejected
\$0 to \$11k	\$0 to \$22k	1.0%	1.0%	1.0%
\$11k to \$26k	\$22k to \$53k	2.0	2.0	2.0
\$26k to \$41k	\$53k to \$83k	4.0	4.0	4.0
\$41k to \$58k	\$83k to \$115k	6.0	6.0	6.0
\$58k to \$73k	\$115k to \$145k	8.0	8.0	8.0
\$73k to \$371k	\$145k to \$743k	9.3	9.3	9.3
\$371k to \$446k	\$743k to \$892k	10.3%	10.3%	9.3%
\$446k to \$743k	\$892k to \$1.5 million	11.3%	11.3%	9.3%
Above \$743k	Above \$1.5 million	12.3%	12.3%	9.3%

Proposal

Proposition 3, officially titled “The California Children’s Education and Health Care Protection Act of 2026,” would amend Section 36 of Article XIII of the California Constitution to make the higher income tax rates established by Proposition 30 of 2012 permanent instead of letting them expire in 2030.⁶ The measure does not change the existing rates or brackets, which adjust for inflation each year, and it does not increase taxes on individuals earning less than about \$371,000 or couples earning less than about \$743,000 in today’s dollars.⁷

Revenues would continue to be deposited into the Education Protection Account, with 89% of the education funds allocated to K-12 school districts, county offices of education, and charter schools, and 11% allocated to community college districts.⁸ Local school boards would retain the authority to decide how the revenues are spent, provided that spending determinations are made in open session of a public meeting, and none of the funds may be used for administrator salaries or other administrative costs. Each district must annually publish online an accounting of how much money it received and how it was spent, and the funds are subject to an annual independent audit, with elected officials facing prosecution and criminal penalties if they misuse them.⁹ The measure also increases the General Fund revenues available for health care, budget reserves, and other programs, and it directs that in certain years a portion of surplus revenues, up to a maximum of \$2 billion in a single fiscal year, be allocated to health care services for children and their families through Medi-Cal.¹⁰

Fiscal Impact

If the current income tax rates are allowed to expire as scheduled, the California Legislative Analyst’s Office (LAO) estimates that the state would lose between \$5 billion and \$15 billion in annual revenue beginning in 2031.¹¹ For context, this year the state plans to spend about \$250 billion from the General Fund, with about half of that spending going to schools, community colleges, and the state’s public universities, and about another one-third going to health and human services programs, mainly Medi-Cal, the state’s low-income health insurance program.¹²

If the current tax rates are allowed to continue, the amount generated could vary considerably from year to year because much of the revenue comes from taxing income that is tied to the stock market. Roughly 40% of the funding would go to schools and community colleges, while the rest would go to other state programs, with part of that amount set aside in budget reserves that the state could use to fund these programs when revenues decline.¹³

SUPPORT FOR PROPOSITION 3

Supporters of Proposition 3 Include:¹⁴

- California Democratic Party
- California Teachers Association
- California Nurses Association
- Community College League of California
- California Professional Firefighters
- AFSCME California
- SEIU California State Council

The proponents' official website is <https://www.yesprop3ca.com/>.

As of September 19, 2026, proponents had raised a total of \$43,825,115.¹⁵

Arguments for Proposition 3¹⁶

Opponents argue Proposition 3 would:

- Not raise taxes on anyone but instead prevent millionaires and billionaires from receiving a tax cut.
- Prevent billions in cuts to education and health care.
- Direct funding to local schools and classrooms, with strict accountability, annual independent audits, and criminal penalties for misuse.

OPPOSITION TO PROPOSITION 3

Opponents of Proposition 3 Include:¹⁷

- California Republican Party
- California Taxpayers Association
- Family Business Association of California
- California Hispanic Chambers of Commerce
- Howard Jarvis Taxpayers Association
- Reform California

The opponents' official website is: <https://votenoprop3.com/>.

As of September 19, 2026, opponents had raised \$5,500.00.¹⁸

Arguments Against Proposition 3¹⁹

Supporters argue Proposition 3 would:

- Permanently increase taxes that politicians had promised would be temporary.
- Worsen California's cost of living, which is already the highest in the nation.
- Ignore the fact that Sacramento has a spending problem, not a revenue problem. In the past decade, spending has doubled even though the population increased by only 2%.
- Simply continue the incentives for high-earners to leave the state, as demonstrated by IRS migration data.²⁰

A YES VOTE ON PROPOSITION 3

A YES vote on Proposition 3 would make permanent the increase in income tax rates on high-income Californians which was approved by voters in 2012 and which is due to expire in 2031.

A NO VOTE ON PROPOSITION 3

A NO vote on Proposition 3 would allow the higher income tax rates passed in 2012 on high-income Californians to expire as scheduled in 2031.

Endnotes

- 1 The text of the proposed constitutional amendment is at California Secretary of State, *Official Voter Information Guide, General Election, November 3, 2026*, pp. 109-115, <https://vig.cdn.sos.ca.gov/2026/general/pdf/complete-vig.pdf>.
- 2 California Legislative Analyst's Office (LAO), Propositions on the November 3, 2026 Ballot, "Proposition 3," <https://lao.ca.gov/BallotAnalysis/Proposition?number=3&year=2026>.
- 3 CA Secretary of State, *Official Voter Information Guide*, pp.109-110.
- 4 CA Secretary of State, *Official Voter Information Guide*, pp.109-110.
- 5 LAO, "Proposition 3." Those with incomes above \$1 million pay an additional 1% mental health services surcharge. See California Department of Health Care Services, "Behavioral Health Services Act," <https://www.dhcs.ca.gov/services/mental-health-services-division-default/behavioral-health-services-act-mh-prop63/>.
- 6 CA Secretary of State, *Official Voter Information Guide*, p.110.
- 7 LAO, "Proposition 3."
- 8 CA Secretary of State, *Official Voter Information Guide*, p.113.
- 9 CA Secretary of State, *Official Voter Information Guide*, pp.112-113.
- 10 CA Secretary of State, *Official Voter Information Guide*, p.112.
- 11 LAO, "Proposition 3."
- 12 LAO, "Proposition 3."
- 13 LAO, "Proposition 3."
- 14 CA Secretary of State, *Official Voter Information Guide*, p.28.
- 15 Ballotpedia, "California Proposition 3, Renew State Income Tax Increase for Education Funding Initiative (2026)," accessed October 2, [https://ballotpedia.org/California_Proposition_3,_Renew_State_Income_Tax_Increase_for_Education_Funding_Initiative_\(2026\)](https://ballotpedia.org/California_Proposition_3,_Renew_State_Income_Tax_Increase_for_Education_Funding_Initiative_(2026)).
- 16 CA Secretary of State, *Official Voter Information Guide*, p.28.
- 17 CA Secretary of State, *Official Voter Information Guide*, pp.28-29; Ballotpedia, "Proposition 3."
- 18 Ballotpedia, "Proposition 3."
- 19 CA Secretary of State, *Official Voter Information Guide*, pp.28-29.
- 20 Ballotpedia, "Proposition 3," Opposition Arguments, Wayne Winegarden, senior fellow at the Pacific Research Institute.

CALIFORNIA PROP 4

Repeals California's Ban on Public Financing of Election Campaigns

Purpose

Proposition 4 is a legislatively-referred state statute that would repeal California's existing ban on using public funds to finance candidates' political campaigns, allowing state and local governments to create voluntary public campaign finance programs in the future. The measure does not create such a program, but sets broad guidelines that any future program would have to follow.¹

Research Assistant: Keith Maben '28

Background

California's Political Reform Act, passed as a ballot measure by California voters in 1974 following the Watergate scandal, sets rules for how money can be used in state and local political campaigns and requires public reporting of political spending.² These rules apply to state and local candidates and ballot measures, but not federal candidates.

Since California voters amended the Political Reform Act via a 1988 ballot measure, the law has banned the use of public funds for political candidates' campaigns. This ban does not apply to certain charter cities, such as Los Angeles, San Francisco, Long Beach, Oakland, and Berkeley, which currently provide public funds to some campaigns.³ California's campaign finance laws are administered by the California Fair Political Practices Commission (FPPC) and the California Secretary of State.⁴

Proposition 4 was placed on the ballot by the California Legislature through Senate Bill 42, also known as the California Fair Elections Act. The bill was authored by Senator Tom Umberg (D-34), and was coauthored by Senator Ben Allen (D-24), Senator Sabrina Cervantes (D-31), and Assemblymember Alex Lee (D-24).⁵ The Assembly passed the bill on September 12, 2025, and the Senate passed it on September 13, 2025. Governor Gavin Newsom signed the bill on October 2, 2025.⁶

Proposal

If approved, Proposition 4 would:⁷

- Lift the ban on using public funds to pay for candidates' political campaigns, permitting state and local governments to create public campaign financing programs if they choose to do so.
- Prohibit the use of funds that are earmarked for education, transportation, or public safety in any future public campaign financing programs.
- Require candidates who wish to receive public funds to show broad-based support in their district and to agree to spending limits and other program rules.
- Allow the FPPC to provide guidance to state and local governments on creating public campaign financing programs.
- Leave many design decisions, such as how a program is funded and how much money candidates may receive, to state and local lawmakers.

Fiscal Impact

The California Legislative Analyst's Office (LAO) estimates that Proposition 4 would create ongoing state costs of a few hundred thousand dollars each year. These funds would support the expansion of legal staffing at the FPPC to handle guidance requests from local governments. The cost would comprise less than 0.1% of the state's total General Fund budget.⁸ While Proposition 4 does not create a public campaign financing program, any program that a state or local government later creates could carry a significant cost that would vary based on how those programs are designed.

SUPPORT FOR PROPOSITION 4

Supporters of Proposition 4 Include:⁹

- California Democratic Party
- League of Women Voters of California
- American Civil Liberties Union of California
- California Common Cause
- Represent.US

As of September 19, 2026, proponents had raised a total of \$235,157.¹⁰

Arguments for Proposition 4

Supporters argue Proposition 4 would:

- Reduce the influence of wealthy donors and special interests, helping to level the playing field for candidates without access to such fundraising networks.¹¹
- Return decision-making power to local voters, allowing them to decide whether a public campaign finance program is right for their community, rather than imposing a one-size-fits-all policy.¹²
- Allow candidates who rely on public financing to spend more time connecting with voters and campaigning, rather than fundraising.¹³

OPPOSITION TO PROPOSITION 4

Opponents of Proposition 4 Include:¹⁴

- California Republican Party
- California Taxpayers Association
- Howard Jarvis Taxpayers Association
- Reform California

As of September 19, 2026, there are no recorded contributions in opposition to Proposition 4.¹⁵

Arguments Against Proposition 4

Opponents argue Proposition 4 would:

- Divert to political campaigns taxpayer money that should be spent on public services such as education, public safety, and infrastructure.¹⁶
- Place no limit on how many candidates could receive public funding or how much taxpayer money could be distributed in total.¹⁷
- Allow candidates to raise private and special-interest money in addition to public funds, and thus not meaningfully reduce the influence of large donors.¹⁸

A YES VOTE ON PROPOSITION 4

A YES vote on Proposition 4 would repeal California's ban on public funding of political campaigns and allow state and local governments to create their own public campaign financing programs, subject to the limits set by the measure.

A NO VOTE ON PROPOSITION 4

A NO vote on Proposition 4 would maintain current law, under which state and most local governments in California remain unable to use public funds to finance candidates' political campaigns.

Endnotes

- 1 The text of the Proposition is at California Secretary of State, *Official Voter Information Guide, General Election, November 3, 2026*, pp. 115-118, <https://vig.cdn.sos.ca.gov/2026/general/pdf/complete-vig.pdf>.
- 2 California Legislative Analyst's Office (LAO), Propositions on the November 3, 2026 Ballot, "Proposition 4," <https://lao.ca.gov/BallotAnalysis/Proposition?number=4&year=2026>.
- 3 LAO, "Proposition 4."
- 4 LAO, "Proposition 4."
- 5 California Legislature, Sen. Bill No. 42, (2025–2026 Reg. Sess.) (Cal. 2025), https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260SB42.
- 6 California Legislature, Sen. Bill No. 42.
- 7 LAO, "Proposition 4."
- 8 LAO, "Proposition 4."
- 9 Ballotpedia, "California Proposition 4, Allow Public Financing of Election Campaigns Measure (2026)," accessed August 10, 2026, [https://ballotpedia.org/California_Proposition_4_Allow_Public_Financing_of_Election_Campaigns_Measure_\(2026\)](https://ballotpedia.org/California_Proposition_4_Allow_Public_Financing_of_Election_Campaigns_Measure_(2026)).
- 10 Ballotpedia, "Proposition 4."
- 11 Tom Umberg, "League of Women Voters, Common Cause, California Clean Money Campaign and Other Advocates Celebrate SB 42 Signature," October 13, 2025, <https://sd34.senate.ca.gov/news/league-women-voters-common-cause-california-clean-money-campaign-and-other-advocates-celebrate>.
- 12 Umberg, "Advocates Celebrate SB 42 Signature."
- 13 Annenberg Media, "A New Bill Would Allow Publicly Financed Campaigns in California," April 24, 2026. <https://www.uscannenbergmedia.com/2026/04/24/a-new-bill-would-allow-publicly-financed-campaigns/>.
- 14 Ballotpedia, "Proposition 4"; CA Secretary of State, *Official Voter Information Guide*, pp. 32-33.
- 15 Ballotpedia, "Proposition 4."
- 16 Ballotpedia, "Proposition 4." See also CA Secretary of State, *Official Voter Information Guide*, pp. 32-33.
- 17 Angelina Delfin. "Your Tax Dollars Could Soon Pay for Political Campaigns." *Daily Signal*, July 16, 2026. <https://www.dailysignal.com/2026/07/14/taxes-used-on-political-campaigns/>.
- 18 Delfin, "Your Tax Dollars Could Soon Pay for Political Campaigns."



CALIFORNIA PROP 05

Changes Recall Election Process for Statewide Officers

Purpose

Proposition 5 is a legislatively proposed constitutional amendment that would change California's recall system by eliminating the simultaneous election of a successor during a recall election and authorizing the lieutenant governor to fill a recalled governor's vacancy until a successor is chosen.¹

Research Assistant: Shivum Kalyanam '29

Background

In a special election in 1911, Californians approved a state constitutional amendment creating a recall (removal) process for state elected officials, including statewide officers and state legislators.² Under this system, if Californians are dissatisfied with an elected state official, they can circulate a recall petition. If the petition receives enough signatures, a special recall election is triggered. During the recall election, two questions appear on the ballot.³ The first asks whether the elected official should be recalled from office and the second asks who should replace the official if recalled. The first question is answered yes or no, with a simple majority required to recall the official. The second question asks the voter to choose from a list of registered candidates.⁴ If the official is recalled, the person who receives the most votes to succeed that official, even if less than a majority, immediately assumes the office.⁵ An officeholder targeted for possible recall (first question) cannot also be a candidate for the office (second question).⁶

Since 1913, 182 state recalls have been attempted in California, with only 11 qualifying for the ballot and six succeeding. The successful recalls included three state senators, two assembly members, and one governor.⁷

Only two gubernatorial recall petitions have qualified for the ballot in California. The first targeted Democratic Governor Gray Davis. In 2002, Davis won his second term as governor by only a plurality, capturing 47.3% of the roughly 8 million votes cast.⁸ In 2003, a recall petition qualified for the ballot.⁹ Governor Davis was recalled with 4.9 million Californians (55.4%) voting against him. Among the more than 100 candidates who received votes to succeed Davis, Republican Arnold Schwarzenegger came in first with 48.6% of the vote, thereby becoming the state's governor.¹⁰

In 2021, due in part to Republicans' opposition to Governor Gavin Newsom's handling of the Covid-19 pandemic, a petition to recall the governor received a sufficient number of signatures to qualify for the ballot.¹¹ However, that September, the recall attempt failed as 61.9% of voters voted no.¹² In the succession election, 42.7% of voters left the question blank, as Governor Newsom had encouraged his supporters to do.¹³ The Secretary of State estimated that this recall election cost the state a total of \$275 million.¹⁴ Beginning in October 2021, the California Assembly Elections Committee and Senate Elections and Constitutional Amendments Committee held joint hearings to review California's recall process.¹⁵ Senator Josh Newman, who was recalled in 2018 and won his seat back in 2020, authored the proposed Senate Constitutional Amendment (SCA-1) in 2023. It passed the legislature in 2024 for submission to the voters for approval or disapproval.¹⁶

Proposal

Prop. 5 would remove the choice of successors (the second question) from the recall ballot. If an elected state official, including state legislator, is recalled, that office would be filled based on the same constitutional provisions that govern vacancies that result from death or resignation. In the specific instance of a governor being recalled, the lieutenant governor would serve as governor for the balance of the term. The only exception is that if the governor is recalled during the first two years of the term, a special election would occur during the statewide primary. If no candidate wins a majority in the state primary, the top two candidates would advance to the next general election.

This constitutional amendment would put the California Secretary of State in charge of administering a governor's recall, and the state controller in charge of administering the recall election for a secretary of state. If both the governor and secretary of state were recalled in the same election, the state controller would administer both elections. Recalled officials would be allowed to run for the office from which they were removed but could not be appointed to fill the vacancy in that office.¹⁷

Fiscal Impact

According to the California Legislative Analyst's Office (LAO), the net fiscal effects of this proposition are unknown. Millions of dollars may be saved or spent depending on future recall attempts and legislative decisions. Without the successor election, ballots would contain less printed information, saving the state money. On the other hand, with the elimination of the successor election as part of the recall, the administration of special elections may increase costs to the state.¹⁸

SUPPORT FOR PROPOSITION 5

Supporters of Proposition 5 Include:¹⁹

- Former State Senator Josh Newman (D-29) (author)
- State Assemblymember Isaac Bryan (D-25)
- Lieutenant Governor Eleni Kounalakis (D)
- California Democratic Party
- League of Women Voters
- California Common Cause

As of September 19, there are no recorded contributions in favor of Proposition 5.

Arguments for Proposition 5

Supporters argue Proposition 5 would:²⁰

- Eliminate the system in which an officeholder can be recalled by a small majority and then replaced by someone who received less than 50% of the vote. According to the League of Women Voters of California, “this encourages political actors to target officials they couldn’t defeat in a regular election and to install replacements who lack broad public support.”
- Make the gubernatorial succession process more democratic by having the lieutenant governor, who is elected by the people of California, fill the vacant office rather than someone elected at the same time as the recall vote, who may have received a small fraction of all votes cast.
- Save the state money by discouraging fruitless recall elections, such as the failed effort to recall Governor Gavin Newsom in 2021, which cost the taxpayers \$275 million.

OPPOSITION TO PROPOSITION 5

Opponents of Proposition 5 Include:

- California Republican Party
- Senate Minority Leader Brian W. Jones (R-40)²¹
- Assemblymember Joe Paterson (R-5)²²
- Election Integrity Project California, Inc.²³
- Reform California²⁴

As of September 19, there are no recorded contributions in opposition to Proposition 5.

Arguments Against Proposition 5²⁵

Opponents argue Proposition 5 would:

- Take power away from the people by preventing them from replacing an officeholder with someone they prefer at the time they recall the incumbent.
- Give more power to Sacramento politicians by allowing them to decide who would replace recalled officials, rather than allowing the people to decide.
- Allow “failed politicians” removed from office by the people to run in the separate election to fill the vacancy.
- Undermine the democratic principle that the people should choose their own leaders.
- Change a system that is fine as it is. “If it ain’t broke, don’t fix it.”
- Prevent change by replacing an unacceptable governor with the lieutenant governor, who very likely will be of the same political party and ideological disposition as the governor.
- Increase costs by requiring separate special elections to fill a vacancy.

A YES VOTE ON PROPOSITION 5

A YES vote for Prop. 5 would amend the California State Constitution to remove a successor election from the same ballot as a recall election, allowing for vacancies caused by recalls to be filled in the same way as vacancies caused by death or resignation. Specifically, if a governor was recalled, the lieutenant governor would serve the rest of the governor’s term unless the recall occurred during the first two years of the term, in which case a special election for governor would take place during the statewide primary.

A NO VOTE ON PROPOSITION 5

A NO vote for Prop. 5 would maintain the state’s current recall system with the succession election on the same ballot as a recall election. If a governor was recalled, the lieutenant governor would not take over as governor.

Endnotes

- 1 The text of his proposed constitutional amendment is at California Secretary of State, *Official Voter Information Guide, General Election, November 3, 2026*, p. 118, <https://vig.cdn.sos.ca.gov/2026/general/pdf/complete-vig.pdf>.
- 2 Mark Baldassare, Dean Bonner, Sonja Petek, and Jui Shrestha, "California's Initiative Process: 100 Years Old," Public Policy Institute of California, September 2011, <https://www.ppic.org/publication/californias-initiative-process-100-years-old/>.
- 3 California Constitution, Article II, §§ 13–15, <https://leginfo.legislature.ca.gov/faces/codesTOCSelected.xhtml?tocCode=CONS&tocTitle=+California+Constitution+-+CONS>.
- 4 *NBC Los Angeles*, "FAQ: What to Know About the Effort to Recall California Gov. Gavin Newsom," September 3, 2021, <https://www.nbclosangeles.com/news/california-news/recall-update-california-governor-gavin-newsom-election-petition-signatures-gray-davis-arnold-schwarzenegger/2542535/>.
- 5 California Constitution, Article II, §§ 13–15.
- 6 California Constitution, Article II, § 15.
- 7 *NBC Los Angeles*, "FAQ."
- 8 California Secretary of State, Statement of Vote: November 5, 2002, General Election, Sacramento, <https://elections.cdn.sos.ca.gov/sov/2002-general/sov-complete.pdf>.
- 9 Kenneth P. Miller, "The Davis Recall and the Courts," *American Politics Research* 33, no. 2 (March 2005): 135–162. <https://doi.org/10.1177/1532673X04272729>.
- 10 California Secretary of State, "Special Statewide Election - Statement of Vote, October 7, 2003, Complete Statement of Vote (PDF)," xiv, <https://www.sos.ca.gov/elections/prior-elections/statewide-election-results/statewide-special-election-october-7-2003/statement-vote>.
- 11 Robin Peterson, "2021 Recall Results," *Inland Empire Outlook* (Rose Institute of State and Local Government), 2021, <https://roseinstitute.org/wp-content/uploads/2021/11/2021-Recall-Results.pdf>.
- 12 Jill Cowan and Shawn Hubler, "Your Guide to the California Recall Election," *The New York Times*, September 15, 2021, <https://www.nytimes.com/article/newsom-recall-election-voter-guide.html>.
- 13 Nick Cahill, "Poll Finds Thirst for Major Tweaks to California's Recall Process," *Courthouse News Service*, November 9, 2021, <https://www.courthousenews.com/poll-finds-thirst-for-major-tweaks-to-californias-recall-process/>.
- 14 California State Assembly, Committee on Elections, "2021 Hearings," <https://aelc.assembly.ca.gov/hearings/2021-hearings>.
- 15 Nathan Davis and Joshua Byfield, "Josh Newman Defeats Ling Ling Chang for 29th District State Senate Race," *Daily Titan*, November 13, 2020, https://dailytitan.com/news/local/josh-newman-defeats-ling-ling-chang-for-29th-district-state-senate-race/article_fa30e186-2640-11eb-8bab-5b5890fa1892.html.
- 16 California Legislature, Senate Constitutional Amendment 1 (Newman), "Elections: Recall of State Officers," Res. Chapter 204, Statutes of 2024, Filed with the Secretary of State September 10, 2024, <https://elections.cdn.sos.ca.gov/ballot-measures/pdf/sca-1-24.pdf>.
- 17 California Legislative Analyst's Office (LAO), "Proposition 5: Changes Recall Election Process for Statewide Officers. Legislative Constitutional Amendment," November 5, 2024, Ballot, <https://lao.ca.gov/BallotAnalysis/Proposition?number=5&year=2026>.
- 18 LAO, "Proposition 5."
- 19 Ballotpedia, "California Proposition 5, Eliminate State Officer Recall Successor Elections Amendment (2026)," [https://ballotpedia.org/California_Proposition_5_Eliminate_State_Officer_Recall_Successor_Elections_Amendment_\(2026\)](https://ballotpedia.org/California_Proposition_5_Eliminate_State_Officer_Recall_Successor_Elections_Amendment_(2026)).
- 20 CA Secretary of State, *Official Voter Information Guide*, pp. 38-39.
- 21 CA Secretary of State, *Official Voter Information Guide*, pp. 38-39.
- 22 CA Secretary of State, *Official Voter Information Guide*, pp. 38-39.
- 23 Ballotpedia, "Proposition 5."
- 24 Ballotpedia, "Proposition 5."
- 25 CA Secretary of State, *Official Voter Information Guide*, pp. 38-39.

CALIFORNIA PROP 37

Creates Loan Program for Middle-Income Buyers of Qualified New Homes

Purpose

Proposition 37 is a citizen-initiated measure that would create a second-mortgage program for middle-class homebuyers purchasing newly built homes with the goals of making home financing more affordable and encouraging more single-family home construction in the state.¹

Research Assistant: Shivum Kalyanam '29

Background

California has a housing affordability crisis. According to the U.S. Census Bureau, the state has the nation's second lowest rate of home-ownership.² The California Legislative Analyst's Office (LAO) found that as of December 2024, the median household income in California was roughly \$135,000 less than the income needed for a mid-tier home mortgage.³

In 1975, the California Legislature established the California Housing Finance Agency (CalHFA) in 1975 to assist low and middle income Californians in renting and purchasing homes through several programs, including first-time home buyer loan programs, United States Department of Veterans Affairs loan programs, United States Department of Agriculture loan programs, and housing counseling programs.⁴ Currently, CalHFA operates the California Dream For All Shared Appreciation Loan, which helps with down payments or closing costs for eligible first-generation or first-time homebuyers; however, this program does not specifically encourage the construction of newly built homes, as Prop. 37 does.⁵

Proposal

Prop. 37 would create a second-mortgage homebuyer program for middle-class homebuyers purchasing a new home. An applicant must be a California resident for at least one year before applying, agree to occupy the new home as a primary residence within 60 days of closing, and have an income that does not exceed 200% of the median income for the area of the new residence. The program, to be administered by the CalHFA, allows eligible homebuyers, paying no less than 3% (from non-borrowed money) of the new home's sales price, to receive a loan of up to 17% of the home's sales price. The loan would assist these households with the down payment on the home.⁶ The new home must be a newly constructed building or a renovated building that was previously non-residential. New home prices cannot exceed 125% of the conforming loan limit for a one-unit property in the county of the purchase. Builders developing new homes can opt into the "qualified builder option," which gives them more flexible construction rules while requiring higher labor and liability enforcement standards.⁷ To fund the loans, Prop. 37 authorizes up to \$25 billion in revenue bonds, issued by CalHFA, to finance the loans. (Revenue bonds finance income-producing projects that generate sufficient income to pay back the cost of the bond.)

Fiscal Impact

According to the LAO, Prop. 37 would have no "direct state or local costs" because it is funded with revenue bonds. The loans authorized by the initiative would be funded by up to \$25 billion in revenue bonds issued by CalHFA. The administrative costs of running the program would be covered by homeowners' payments on their second mortgages. Unknown factors such as demand for revenue bonds, loan interest rates, and the program's effect on the building and purchasing of homes may affect costs.⁸

SUPPORT FOR PROPOSITION 37

Supporters of Proposition 37 Include:⁹

- Former California Assembly Speaker and Senate Majority Leader Robert Hertzberg (D)
- Gubernatorial Candidate Xavier Becerra (D)
- California State Treasurer Fiona Ma (D)
- California Democratic Party
- United Brotherhood of Carpenters and Joiners of America
- California Association of Realtors
- California Chamber of Commerce

The proponents' official website is <https://voteyeson37.com/>.

As of September 19, supporters of Proposition 37 had contributed \$56,514,359.¹⁰

Arguments for Proposition 37¹¹

Supporters argue Proposition 37 would:

- Encourage homeownership among the middle class by providing financial support for home buyers.
- Incentivize the construction of new homes and thereby increase the supply of housing for Californians.
- Help alleviate California's housing crisis.

OPPOSITION TO PROPOSITION 37

Opponents of Proposition 37 Include:¹²

- Reform California
- League of Women Voters of California

As of September 19, there are no recorded contributions in opposition to Proposition 37.¹³

Arguments Against Proposition 37

Opponents argue Proposition 37 would:

- Give developers subsidies without changing the costly mandates that make housing so expensive in California.¹⁴
- Help a family buy a home without making it affordable to keep.¹⁵
- "Make[] the State of California one of the biggest mortgage lenders in America overnight – and taxpayers [would be] left holding the bag for any losses."¹⁶

A YES VOTE ON PROPOSITION 37

A YES vote for Prop. 37 would authorize the sale of up to \$25 billion in revenue bonds for the California Housing Finance Agency to operate a second mortgage program for middle-class Californians purchasing newly constructed homes.

A NO VOTE ON PROPOSITION 37

A NO vote for Prop. 37 would not approve up to \$25 billion in revenue bonds to fund the California Housing Finance Agency to operate a second mortgage program for middle-class Californians purchasing new homes.

Endnotes

- 1 The text of this proposition is at California Secretary of State, *Official Voter Information Guide, General Election, November 3, 2026*, pp 118-123, <https://vig.cdn.sos.ca.gov/2026/general/pdf/complete-vig.pdf>.
- 2 United States Census Bureau, "Table 3," Homeownership Rates by State: 2005-present, 2026, <https://www.census.gov/housing/hvs/data/rates.html>.
- 3 Alex Bentz, "California Housing Affordability Tracker (1st Quarter 2026)," California Legislative Analyst's Office (LAO), April 20, 2026, <https://lao.ca.gov/LAOEconTax/Article/Detail/793>.
- 4 State of California, "Housing Finance Agency (CalHFA)," December 19, 2025, <https://www.ca.gov/departments/152/>; State of California, "First-Time Homebuyer Programs," June 25, 2026, <https://www.ca.gov/departments/152/services/1233/>; California Housing Finance Agency, "CalHFA USDA Program," <https://www.calhfa.ca.gov/homebuyer/programs/usda.htm>.
- 5 California Housing Finance Agency, "California Dream for All Shared Appreciation Loan," <https://www.calhfa.ca.gov/dream/>.
- 6 Consumer Financial Protection Bureau, "What Is a Second Mortgage Loan or 'Junior-Lien'?" September 11, 2024, <https://www.consumerfinance.gov/ask-cfpb/what-is-a-second-mortgage-loan-or-junior-lien-en-105/>.
- 7 Legislative Analyst's Office (LAO), "Home Building and Downpayment Assistance," A.G. File No. 2025-013, Amendment 1. October 6, 2025, <https://lao.ca.gov/BallotAnalysis/Initiative/2025-013>.
- 8 LAO, "Home Building."
- 9 Yes on Prop 37 (California Homeownership Committee), "Supporters," <https://cahomescoalition.com/#supporters>; Ballotpedia, "California Proposition 37, Second Mortgage Homebuyer Program and Revenue Bond Initiative (2026)," accessed August 12, 2026, [https://ballotpedia.org/California_Proposition_37_Second_Mortgage_Homebuyer_Program_and_Revenue_Bond_Initiative_\(2026\)#Support](https://ballotpedia.org/California_Proposition_37_Second_Mortgage_Homebuyer_Program_and_Revenue_Bond_Initiative_(2026)#Support).
- 10 Ballotpedia, "Proposition 37."
- 11 CA Secretary of State, *Official Voter Information Guide*, p. 42,
- 12 Ballotpedia, "Proposition 37."
- 13 Ballotpedia, "Proposition 37."
- 14 Ballotpedia, "Proposition 37" "Opposition Arguments," Reform California.
- 15 Ballotpedia, "Proposition 37," "Opposition Arguments," League of Women Voters of California.
- 16 Ballotpedia, "Proposition 37" "Opposition Arguments," Reform California.

CALIFORNIA PROP 38

Funds Immunology and Immunotherapy Research in California

Purpose

Proposition 38 is a citizen-initiated measure that would authorize the state to issue \$8.4 billion in general obligation bonds to support medical research on immunology and immunotherapy.¹

Research Assistant: Sarah Chavez '29

Background

Immunology is the study of the body's immune system, while immunotherapy consists of medical treatments that use the body's immune system to fight diseases.² California currently has 10 research centers that study immunology and immunotherapy.³

This proposition is similar to two prior voter-approved bonds for health care research in California. In 2004 and 2020, voters passed Propositions 71 and 14, respectively, which approved bonds for stem cell research. Both initiatives used general obligation (GO) bonds, a form of long-term borrowing that the state repays with interest over time, and that typically requires voter approval.⁴

Proposal

Proposition 38 would allow the state to issue \$8.4 billion in general obligation bonds to fund medical research related to immunology and immunotherapy. Half of the funds would be allocated to a single unnamed research institute that meets the measure's specific criteria, including affiliation with the University of California. It appears the only institute that would qualify for these funds is the California Institute for Immunology and Immunotherapy at UCLA, which was co-founded by Prop. 38's leading proponent, Gary K. Michelson, who chairs the Institute's Board. The rest of the funds would be allocated to various public or nonprofit medical research institutes following an application process. Half of all funds distributed would be targeted to research on cancer, Alzheimer's disease, and heart disease. The proposition would require that less than 2% of the funds be used for state administrative costs. It also would require regular public reporting on the use of funds as well as independent financial audits and periodic review by the California Department of Public Health.⁵

Fiscal Impact

According to the Legislative Analyst's Office, this bond would cost \$500 million to \$600 million per year over a 40-year period. The annual cost is equivalent to about 0.25% of California's General Fund, which funds most public services. However, the proposition has the potential to generate state revenue, as it would require 10% of any revenue from the research discoveries of the primary institute benefiting from the bond issue to go back into California's general fund.⁶

SUPPORT FOR PROPOSITION 38

Supporters of Proposition 38 Include:⁷

- Gary K. Michelson, co-founder of the California Institute for Immunology and Immunotherapy
- Meyer Luskin
- Californians for Immunology Research and Cures
- ALS Association
- Alzheimer's Association
- California Democratic Party
- California Republican Party

As of September 19, 2026, supporters of Proposition 38 had contributed \$38,201,947.⁸

Arguments for Proposition 38⁹

Supporters argue that Proposition 38 would:

- Accelerate development of breakthrough treatments and cures for diseases including cancer, heart disease, and Alzheimer's.
- Lower health care costs.
- Help offset federal funding cuts for medical research.
- Pay for itself, with no net cost to taxpayers.

OPPOSITION TO PROPOSITION 38

Opponents of Proposition 38 Include:¹⁰

- Dr. Robert M. Kaplan, Stanford University School of Medicine
- League of Women Voters of California
- *Orange County Register* Editorial Board

As of September 19, 2026, opponents of Proposition 38 had contributed \$640.¹¹

Arguments Against Proposition 38¹²

Opponents argue that Proposition 38 would:

- Commit taxpayers to decades of new bond debt while limiting California's flexibility to address changing health priorities.
- Use "ballot box budgeting," rather than the normal budget process, to allocate funding for health care research.
- Likely not pay for itself, since universities typically do not commercialize new therapies on their own and would not generate sufficient revenue to offset costs.

A YES VOTE ON PROPOSITION 38

A YES vote on Proposition 38 would authorize the state to issue \$8.4 billion in general obligation bonds to fund research on immunology and immunotherapy.

A NO VOTE ON PROPOSITION 38

A NO vote on Proposition 38 would not authorize the state to issue bonds for this purpose.

Endnotes

- 1 The text of the measure is at California Secretary of State, *Official Voter Information Guide, General Election, November 3, 2026*, pp. 123-133, <https://vig.cdn.sos.ca.gov/2026/general/pdf/complete-vig.pdf>.
- 2 "Immunotherapy," Cleveland Clinic, last reviewed November 29, 2022, <https://my.clevelandclinic.org/health/treatments/11582-immunotherapy>.
- 3 Mikhail Zinshteyn, "This CA Proposition Will Send \$4 Billion to a Single Nonprofit. Who's Behind It?" CalMatters, July 31, 2026, <https://calmatters.org/politics/elections/2026/07/proposition-38-california/>.
- 4 California Department of General Services, "Section 6842: Electronic Records Management," State Administrative Manual (SAM), accessed August 9, 2026, <https://www.dgs.ca.gov/Resources/SAM/TOC/6800/6842>.
- 5 Ballotpedia, "California Proposition 38, Immunology and Immunotherapy Research Funding Initiative (2026)," accessed September 2, 2026, [https://ballotpedia.org/California_Proposition_38.Immunology_and_Immunotherapy_Research_Funding_Initiative\(2026\)](https://ballotpedia.org/California_Proposition_38.Immunology_and_Immunotherapy_Research_Funding_Initiative(2026)).
- 6 California Office of the Attorney General, Authorizes Bonds for Immunology Research (Initiative 25-0026A1), Title and Summary, January 2, 2026, <https://oag.ca.gov/system/files/initiatives/pdfs/25-0026A1%20%28Immunology%29.pdf>.
- 7 Ballotpedia, "Proposition 38."
- 8 Ballotpedia, "Proposition 38."
- 9 Yes on 38, official campaign website, accessed September 2, 2026, <https://yeson38.com/>.
- 10 California Secretary of State, *Official Voter Information Guide: Proposition 38*, 2026, <https://elections.cdn.sos.ca.gov/public-display/prop38.pdf>.
- 11 Ballotpedia, "Proposition 38."
- 12 CA Secretary of State, *Official Voter Information Guide*, p. 8.

CALIFORNIA PROP 39

Amends the California Constitution to Require Voters to Present Government-Issued Identification to Vote

Purpose

Proposition 39 is a citizen initiated constitutional amendment that would require voters to present government-issued identification to vote in person or to provide identifying information to vote by mail. It would also require election officials to make best efforts to verify that voters on the rolls are U.S. citizens.¹

Research Assistant: Keith Maben '28

Background

According to the California Legislative Analyst's Office (LAO), in order to register to vote in California, a person must be a U.S. citizen, reside in the state, be at least 18 years old, not currently in prison, and not be found unable to vote by a court.² A voter's identity is established during the registration process through his or her driver's license number, state identification number, or Social Security number's last four digits. A voter who does not provide this information during the registration process may be asked to present it when first casting a ballot.³

Under current law, when voters cast a ballot in person, they identify themselves by signing a list of registered voters prior to voting. When voters mail in their ballots, they identify themselves by signing the envelope containing their ballot. Election officials verify signatures on vote-by-mail ballots before counting them but typically do not do so for in-person voters' ballots.⁴ Also, California does not require that voters present identification to vote on election day, one of only 14 U.S. states that allow voters to cast ballots without presenting identification.⁵

Proposition 39 has been the subject of two notable court challenges, both filed in the Sacramento County Superior Court. The first concerned the measure's ballot title. The initiative originally qualified for the ballot under the title: "Establishes additional voter identification and citizenship verification requirements." On July 3, 2026, California Attorney General Rob Bonta's office revised the official title to read: "Prohibits citizens from voting unless they present government-issued identification."⁶ Proponents of Proposition 39 sued, arguing that the revised language mischaracterized the measure. On August 6, 2026, Judge Jennifer Rockwell denied the petition, ruling that Attorney General Bonta's title, summary, and label accurately describe Proposition 39.⁷

The second case concerned the ballot argument in favor of Proposition 39 that would appear in the state's official voter information guide. California Assembly Speaker Robert Rivas (D-29) and Senate President Pro Tempore Monique Limón (D-21) filed suit, arguing that several claims in the guide were false and misleading.⁸ Specifically, they took issue with language claiming that the measure would make it easier to vote and would save the state money. On August 6, 2026, Judge Shelleyanne Chang ruled that the challenged statements were indeed false and misleading, and granted Rivas and Limón's petition.

Proposal

If approved, Proposition 39 would:⁹

- Require “state and local election officials to make ‘best efforts... to verify that voters on the rolls are U.S. Citizens” and to report the proportion of registered voters in each county whose citizenship status has been verified.
- Require voters to present government-issued identification while voting in person.
- Require voters to provide the last four digits of their selected government-issued identification number on the ballot envelope when voting by mail.
- Create a free-state-issued voter identification card that voters could request and use to meet the identification requirement.
- Require the State Auditor to review state and county compliance with the measure every odd-numbered year and to recommend improvements.
- Require the legislature to pass additional laws to implement the measure, as Proposition 39 leaves several details undefined, including which forms of identification would qualify and what steps are considered “best efforts” to verify the citizenship status of registered voters.

Fiscal Impact

The LAO estimates that Proposition 39 would increase state and local government costs by tens of millions to hundreds of millions of dollars each year. This would represent less than 0.25% of the state’s General Fund budget.¹⁰ The precise cost would depend on future decisions made by the legislature, state departments, local governments, and voters. For instance, the design of the voter identification card and the number of voters who request one could affect the measure’s overall cost. The state could realize savings if fewer people registered to vote due to the removal of ineligible voters or of eligible voters who lacked government-issued identification. But the LAO estimates that these potential savings likely would not exceed the measure’s costs.¹¹

SUPPORT FOR PROPOSITION 39

Supporters of Proposition 39 Include:¹²

- State Assemblymember Carl DeMaio (R-75)
- California Republican Party
- Reform California
- Californians for Voter ID
- Former California Secretary of State Bill Jones (R)
- Howard Jarvis Taxpayers Association

The proponents' official website is <https://www.voteridca.org/>.

As of September 19, 2026, proponents had raised a total of \$30,686,973.¹³

Arguments for Proposition 39¹⁴

Supporters argue Proposition 39 would:

- Increase trust in California's elections.
- Bring California in line with most other states, which require voters to show some form of identification to vote.
- Keep voting easy while simultaneously making it more secure.
- Not place burdens on voters such as birth certificates or other additional documentation.
- Guarantee every citizen a free government ID if they wanted one.
- Require California's voter lists to be accurate and up-to-date, ensuring that only citizens are registered.

OPPOSITION TO PROPOSITION 39

Opponents of Proposition 39 Include:¹⁵

- U.S. Senator Alex Padilla (D)
- Gubernatorial Candidate Xavier Becerra (D)
- California Democratic Party
- American Civil Liberties Union
- Common Cause
- League of Women Voters of California
- Californians for Voting Rights
- California Teachers Association
- SEIU California

The opponents' official website is: CAforvotingrights.org.

As of September 19, 2026, opponents had raised \$15,768,273.¹⁶

Arguments Against Proposition 39¹⁷

Opponents argue Proposition 39 would:

- Enact a scheme by Donald Trump and his cronies to rig California elections, undermining freedom and democracy at the cost to taxpayers of hundreds of millions of dollars.
- Make voting more challenging for eligible voters who lack a driver's license or other approved form of identification.
- Place burdens disproportionately on voters who have disabilities, low-incomes, or have recently moved.
- Burden women who have changed their names after marriage, creating potential confusion at the ballot box.

A YES VOTE ON PROPOSITION 39

A YES vote on Proposition 39 would amend the California Constitution to require voters to present government-issued identification to vote, and would direct election officials to verify the citizenship status of registered voters.

A NO VOTE ON PROPOSITION 39

A NO vote on Proposition 39 would maintain current law, under which a voter's identity is established through signature verification for mail-in ballots, but there is usually no signature verification for in-person voting and voters need not present identification.

Endnotes

- 1 The text of the proposed constitutional amendment is at California Secretary of State, *Official Voter Information Guide, General Election, November 3, 2026*, pp. 133-134, <https://vig.cdn.sos.ca.gov/2026/general/pdf/complete-vig.pdf>.
- 2 California Legislative Analyst's Office (LAO), Propositions on the November 3, 2026 Ballot, "Proposition 39," <https://lao.ca.gov/BallotAnalysis/Proposition?number=39&year=2026>.
- 3 LAO, "Proposition 39."
- 4 LAO, "Proposition 39."
- 5 Ballotpedia, "Voter Identification Laws by State," accessed August 25, 2026, https://ballotpedia.org/Voter_identification_laws_by_state.
- 6 Ashley Zavala, "Prop 39 Campaign Sues California Attorney General Over Ballot Title Change for Voter ID Measure," KCRA, July 29, 2026, <https://www.kcra.com/article/prop-39-campaign-sues-california-attorney-general-voter-id-measure/73296334>.
- 7 Democracy Docket, "California Court Shuts Down GOP Bid to Sanitize Anti-voting Measure," August 6, 2026, <https://www.democracymatters.com/news-alerts/california-court-shuts-down-gop-bid-to-sanitize-anti-voting-measure/>.
- 8 Alan Riquelmy, "California Judge Rules Voter ID Supporters Must Rewrite Ballot Arguments," *Courthouse News Service*, August 6, 2026, <https://www.courthouse-news.com/california-judge-rules-voter-id-supporters-must-rewrite-ballot-arguments/>.
- 9 LAO, "Proposition 39."
- 10 LAO, "Proposition 39."
- 11 LAO, "Proposition 39."
- 12 CalMatters, "What to Know About Prop. 39, CA Voter ID Initiative," August 4, 2026, <https://calmatters.org/california-voter-guide-2026/proposition-39-voter-id/>; Ballotpedia, "California Proposition 39, Voter Identification, Citizenship Verification, and Registered Voter List Administration Initiative (2026)," accessed August 29, 2026, [https://ballotpedia.org/California_Proposition_39_Voter_Identification_Citizenship_Verification_and_Registered_Voter_List_Administration_Initiative_\(2026\)#google_vignette](https://ballotpedia.org/California_Proposition_39_Voter_Identification_Citizenship_Verification_and_Registered_Voter_List_Administration_Initiative_(2026)#google_vignette); CA Secretary of State, *Official Voter Information Guide*, pp. 52-53.
- 13 Ballotpedia, "Proposition 39."
- 14 CA Secretary of State, *Official Voter Information Guide*, pp. 52-53.
- 15 CalMatters, "What to Know About Prop. 39"; Ballotpedia, "California Proposition 39"; California Secretary of State, "Argument Against Proposition 39," <https://elections.cdn.sos.ca.gov/public-display/prop-39-arg-against.pdf>.
- 16 Ballotpedia, "Proposition 39."
- 17 CA Secretary of State, *Official Voter Information Guide*, pp. 52-53; Ballotpedia, "Proposition 39"; CalMatters, "What to Know About Prop. 39."



CALIFORNIA PROP 40

Imposes a one-time five percent wealth tax on California billionaires

Purpose

Proposition 40, placed on the ballot by initiative petition, would impose a one-time five percent tax on the wealth of California's billionaires and use the proceeds of that tax primarily to fund health care.¹

Research Assistant: Sam Yao '27

Background

California is home to more than 200 billionaires, most of whom gained their wealth in the state's robust technology, investment, real estate, and entertainment industries.² The success of the tech sector, in particular, has concentrated income at the top: Just four of California's tech titans, Sergey Brin, Larry Page, Mark Zuckerberg, and Jensen Huang, collectively possess net worth of approximately \$1 trillion. Proponents of a wealth tax believe California should require its wealthiest individuals to pay a tax on their accumulated assets to narrow the state's vast inequalities and fund programs that assist the poor.

However, a tax on wealth would be a profound departure from existing tax policy. At present, California imposes taxes on income but not accumulated wealth. Through the income tax, the state takes a portion of the money that taxpayers receive each year through wages, salaries, dividends, sales of assets, and other sources. California currently relies heavily on the revenue it receives from personal income taxes on its wealthiest residents to fund state programs.

A wealth tax, by contrast, taxes assets people own (typically including stocks, bonds, mutual funds, personal property, interests in privately held businesses, retirement accounts, personal trusts, and the like), rather than the income these assets produce. No other state, nor the federal government, has imposed a wealth tax.

Proposal

Proposition 40 would authorize a one-time tax equal to five percent of the net worth of any billionaire who was a California resident as of January 1, 2026. The tax would apply to individuals and trusts with covered assets exceeding \$1 billion, including publicly traded securities, private business interests, art, collectibles, and certain trusts and retirement accounts, but it would exclude real estate and most pensions. Those who pay the new tax could spread payments over five years, with a 7.5% annual charge on unpaid balances.³

Revenue raised under the initiative would be deposited into a newly created state reserve fund, the 2026 Billionaire Tax Reserve Fund. Ninety percent of this revenue would be dedicated to health care, including Medi-Cal, while the remaining 10% would fund public education from kindergarten through community college and food assistance programs such as CalFresh. The measure would exempt this new revenue from existing constitutional rules that otherwise limit state spending and require a minimum share of the budget to go toward K-14 education.⁴

Proposition 40 has divided the state's progressive leadership. The measure is backed by one of the state's most powerful unions, Service Employees International Union-United Healthcare Workers West (SEIU-UHW), the California Democratic Party, and prominent progressives such as Rep. Ro Khanna and Senator Bernie Sanders. Yet Proposition 40 is opposed by another powerful union, the California Teachers Association (CTA), and by Democratic Governor Gavin Newsom and Democratic Gubernatorial candidate Xavier Becerra.

Some of California's wealthiest individuals, including Google Co-founder Sergey Brin, have fought this tax by heavily funding opposition to Proposition 40 and by backing countermeasures (Propositions 41 and 42) that, if approved, would effectively invalidate the tax, even if Proposition 40 wins a majority vote. If it clears these electoral hurdles, Proposition 40, like other novel policies that push traditional boundaries, would likely face post-election legal challenges.

The 2026 ballot also includes Propositions 41 and 42, which would impose new audit and reporting requirements on special-tax initiatives and bar new taxes on personal savings, respectively. As noted above, if either receives more “yes” votes than Proposition 40, courts could find them to conflict with, and effectively nullify, Proposition 40, even if Proposition 40 itself passes by a majority.⁵

Fiscal Impact

According to the Legislative Analyst’s Office (LAO), Proposition 40 would likely generate tens of billions of dollars in one-time state revenue, collected over several years. The LAO cautions that the exact timing and amount collected are difficult to predict, given that billionaires’ wealth is often tied to fluctuating stock prices and that some taxpayers may take steps to reduce their tax liability.⁶

Nearly all (90%) of this revenue would be allocated to support financially stressed health care programs including Medi-Cal, with the remainder set aside for public education and food assistance programs. Proposition 40 exempts itself from state constitutional budget provisions such as the guaranteed minimum percentage of state revenues dedicated to K-14 education, the requirement that a percentage of revenue be set aside for the state’s rainy day fund, and the state spending limit.

The LAO also projects a possible decrease of up to \$1 billion per year in state income tax revenue, as some billionaires may leave California to avoid the wealth tax. Additionally, the state would incur administrative costs of tens of millions of dollars per year for several years to collect the tax; these costs would be paid out of the new wealth tax revenue.⁷

Economists affiliated with the Hoover Institution at Stanford University warn that the wealth tax could more drastically reduce state revenues, estimating that the measure could cost California a total of \$25 billion in lost tax receipts as wealthy residents and businesses relocate out of state.⁸

SUPPORT FOR PROPOSITION 40

Supporters of Proposition 40⁹

- Service Employees International Union-United Healthcare Workers West (SEIU-UHW)
- California Democratic Party
- U.S. Sen. Bernie Sanders (I)
- U.S. Rep. Ro Khanna (D)
- Former gubernatorial candidate Tom Steyer (D)
- California Federation of Labor Unions
- California Nurses Association

As of September 19, 2026, proponents had raised a total of \$32,202,656, with SEIU-UHW contributing approximately \$29 million of that total.¹⁰

Arguments for Proposition 40¹¹

Supporters argue that Proposition 40 would:

- Require billionaires to pay their fair share.
- Offset recent limits on federal health care funding.
- Keep local hospitals and emergency rooms open and preserve health coverage for low- and moderate-income Californians.
- Protect jobs in the health care sector.

OPPOSITION TO PROPOSITION 40

Opponents of Proposition 40¹²

- California Republican Party
- Gov. Gavin Newsom (D)
- Gubernatorial candidate Xavier Becerra (D)
- Gubernatorial candidate Steve Hilton (R)
- California Teachers Association
- California Medical Association
- Planned Parenthood Affiliates of California
- Sergey Brin, Co-founder of Google

As of September 2026, opponents had raised \$11.27 million in contributions.¹³

Arguments Against Proposition 40¹⁴

Opponents argue that Proposition 40 would:

- Drive wealthy residents and businesses out of California, reducing the tax base that funds existing state programs.
- Provide only temporary, one-time funding rather than a stable, ongoing revenue source for health care.
- Reduce guaranteed school funding by exempting its revenue from constitutional K-14 funding protections.
- Give the state legislature the ability to later expand the tax without a separate vote of the people, according to opponents' legal analysis.

A YES VOTE ON PROPOSITION 40

A YES vote on Proposition 40 would impose a one-time five percent tax on the net worth of California billionaires with covered assets exceeding \$1 billion, dedicating 90% of the revenue to health care programs and 10% to food assistance and public education, while exempting that revenue from existing constitutional spending and school-funding limits.

A NO VOTE ON PROPOSITION 40

A NO vote on Proposition 40 would leave current law unchanged, with no wealth tax on billionaires.

Endnotes

- 1 The text of Proposition 40 is at California Secretary of State, *Official Voter Information Guide*, General Election, November 3, 2026, pp. 134-147, <https://vig.cdn.sos.ca.gov/2026/general/pdf/complete-vig.pdf>; California Legislative Analyst's Office (LAO), Propositions on the November 3, 2026 Ballot, "Proposition 40," <https://lao.ca.gov/BallotAnalysis/Proposition?number=40&year=2026>.
- 2 LAO, "Proposition 40."
- 3 Ballotpedia, "Proposition 40."
- 4 LAO, "Proposition 40."
- 5 Ballotpedia, "Proposition 40"; LAO, "Proposition 40."
- 6 LAO, "Proposition 40."
- 7 LAO, "Proposition 40."
- 8 Joshua D. Rauh et al., "California's Proposed Billionaire Tax Will Cost the State an Estimated \$25 Billion, Hoover Study Finds," Hoover Institution, 2026.
- 9 Ballotpedia, "Proposition 40"; CA Secretary of State, *Official Voter Information Guide*, pp. 56-57.
- 10 Ballotpedia, "Proposition 40."
- 11 Ballotpedia, "Proposition 40." See also CA Secretary of State, *Official Voter Information Guide*, pp. 56-57.
- 12 Ballotpedia, "Proposition 40"; CA Secretary of State, *Official Voter Information Guide*, pp. 56-57.
- 13 Ballotpedia, "Proposition 40."
- 14 Ballotpedia, "Proposition 40"; California Secretary of State, *Official Voter Information Guide*, p. 57.

CALIFORNIA PROP 41

Restricts New Special Taxes by Requiring Audits and Performance Reviews and Denying Exemption from State Spending Cap

Purpose

Proposition 41 is a citizen initiated measure that would require the California State Auditor to review programs to be funded by proposed special taxes and publish its financial and performance audit before California residents vote on these tax proposals. The State Auditor would also be required to periodically review programs funded by special taxes created or raised after January 1, 2026 in order to improve program efficiency. Finally, Prop. 41 would prevent revenues raised by new state taxes from being exempted from the Gann Limit on state spending approved by voters in 1979.¹

Research Assistant: Dhriti Jagadish '27

Background

In 1979, Californians passed Proposition 4, also known as the Gann Limit, which capped spending at 1978-79 levels, adjusted each year for inflation and population growth. If state and local governments collect more tax revenue than they are allowed to spend for two consecutive years, they must split the excess between taxpayer rebates and additional spending on schools.² Prop. 41's drafters charge that special interests have "repeatedly passed new taxes that exempted themselves" from the Gann Limit.

Proposal

Proposition 41 has three key provisions:

First, it would require that when a "special tax" — one that would raise funds for a specific purpose or program rather than for general government operations — is proposed as a ballot initiative and achieves 25% of the necessary signatures, the California State Auditor would conduct a pre-election audit of any programs to be funded by the tax. The results of the audit would appear in the Official Voter Guide for the election. The audit would address the following:

- Whether the program is currently acquiring its resources at the lowest cost for the necessary quality;
- Whether the program is maximizing output for every dollar spent;
- Whether the program is achieving its intended goals and outcomes;
- Whether the program is following the relevant laws, regulations, and internal policies;
- Whether there is "actual and potential fraud, waste, and abuse" in a program and how adequate its internal prevention systems are;
- Whether the program has identified its "biggest threats" and has a plan to mitigate them;
- Whether the program is using adequate and reliable data;
- Whether the program has adequate oversight and accountability;
- Whether the program's costs compare favorably to similar non-governmental programs; and
- How the program could cut its costs by at least 10%.

These findings must be sent to the governor, the legislature, and the secretary of state and be made available to the public. If the special tax initiative qualifies for the ballot, an executive summary must be printed in every Voter Information Guide (VIG) prior to the election.

Second, for all special taxes enacted by the legislature or by a ballot initiative on or after January 1, 2026, the California State Auditor must conduct ongoing financial and performance audits every four years for each of the programs that receive revenue from these taxes. With the assistance of the California Legislative Analyst's Office (LAO) — as well as public input on the State Auditor's measurements of effectiveness — the State Auditor must provide:

- The same assessments required of the pre-election financial and performance audit; and
- Further recommendations on how a program can improve its effectiveness, cut costs, or otherwise reduce taxpayer burden.

Third, the Proposition would require that all revenues raised by state taxes that take effect on or after January 1, 2026, be subject to the state spending limit, also known as the Gann Limit. It would prohibit the state from imposing, collecting, or enforcing any state tax that claims an exemption from the Gann Limit. This provision would directly contradict Proposition 40, which exempts appropriations funded by the “2026 Billionaire Tax Reserve Fund” from the Gann Limit.³

Prop. 41 expressly states that if it receives more votes than a conflicting measure on the same ballot, even if that other measure receives a majority, the conflicting measure would not become law.

Fiscal Impact

The California Legislative Analyst's Office (LAO) expects Proposition 41 to have a number of fiscal effects.⁴

The LAO predicts that Prop. 41 would increase State Auditor costs. These costs would depend on the number of new or increased special taxes the State Auditor must review as well as the complexity of the programs being reviewed on a recurring basis. The LAO estimates that this would likely be in the range of the low millions of dollars annually, but would increase over time.

The LAO also expects that the State Auditor's summarized reviews, which must appear in every Voter Information Guide (VIG) if a special tax is proposed through a ballot initiative, could add several pages to the VIG, increasing printing and mailing costs by a few hundred thousand dollars per ballot initiative.

Pre-election and ongoing audits of special taxes and their associated programs would be paid for by the revenues collected by the special taxes. Pre-election audit costs for special taxes that do not qualify for the ballot or are rejected by voters would be paid for by the state's General Fund.

Altogether, the net fiscal impact remains unknown. The LAO suggests that Prop. 41 could result in “possible savings” or “improved services” based on the recommendations of the State Auditor. These savings, however, cannot be predicted in advance.

SUPPORT FOR PROPOSITION 41

Supporters of Proposition 41 Include:⁵

- California Chamber of Commerce⁶
- California Taxpayers Association
- California Society of Certified Public Accountants
- California Republican Party
- Tom Hayes, former Auditor General of California
- Steve Westly, former California State Controller
- Sergey Brin, co-founder of Google and founder of Building a Better California⁷
- Reform California⁸
- Building a Better California (top sponsor of the “Yes on 41” Committee)⁹

The proponents’ official website is <https://www.yesonprop41.org/>.

As of September 19, 2026, proponents had raised \$92,294,500 to promote Prop 41. Google co-founder Sergey Brin has contributed \$102 million this year to Building a Better California, which is the chief sponsor of “Yes on 41 - Californians for a More Transparent and Effective Government.”¹⁰

Arguments for Proposition 41¹¹

Supporters of Proposition 41 argue that:

- California’s state government will spend more than \$350 billion this year, a 79% increase from 2019, and outcomes in education, health care, and infrastructure have barely improved.
- The legislature and “special interests” continue to propose new taxes for new programs without monitoring their spending and thoroughly reviewing the efficacy of existing programs.
- Independent performance audits give voters “objective, credible information” on proposed taxes and the programs they would support.
- Though the Gann Limit on state spending was democratically approved by voters, it has been consistently undercut by exemptions.

A YES VOTE ON PROPOSITION 41

A YES vote on Proposition 41 would require the California State Auditor to conduct pre-election and ongoing performance and financial audits of programs funded by special taxes. It would also prevent exemption of new special taxes from the state spending limit, thus directly competing with — and likely overriding — Proposition 40.

OPPOSITION TO PROPOSITION 41

Opponents of Proposition 41 Include:

- California Democratic Party¹²
- Service Employees International Union-United Healthcare Workers West (SEIU-UHW)¹³

As of September 19, 2026, opponents had raised \$340,225 against Prop. 41.¹⁴

Arguments Against Proposition 41¹⁵

Opponents of Proposition 41 argue that:

- Proposition 41 was put on the ballot in the name of tax oversight and transparency, but its primary purpose is to undo Prop. 40’s “billionaire tax.”
- Billionaires, some of them Donald Trump’s donors, have poured millions of dollars into Propositions 41 and 42 to void Prop. 40.
- By potentially voiding Prop. 40, Prop. 41 would cost the state much-needed revenue.

A NO VOTE ON PROPOSITION 41

A NO vote on Proposition 41 would not introduce any new performance and financial audits of programs funded by special taxes and would not change current state spending limit requirements.

Endnotes

- 1 The text of the proposition is at California Secretary of State, *Official Voter Information Guide, General Election, November 3, 2026*, pp. 147-150, <https://vig.cdn.sos.ca.gov/2026/general/pdf/complete-vig.pdf>.
- 2 Ann Hollingshead, "The 2022-23 California Spending Plan: The State Appropriations Limit," California Legislative Analyst's Office (LAO), September 30, 2022, <https://lao.ca.gov/Publications/Report/4631>.
- 3 Ballotpedia, "California Proposition 40, One-Time Wealth Tax for State-Funded Healthcare, Education, and Food Assistance Programs Initiative (2026)," accessed August 15, 2026, [https://ballotpedia.org/California_Proposition_40_One-Time_Wealth_Tax_for_State-Funded_Healthcare_Education_and_Food_Assistance_Programs_Initiative_\(2026\)](https://ballotpedia.org/California_Proposition_40_One-Time_Wealth_Tax_for_State-Funded_Healthcare_Education_and_Food_Assistance_Programs_Initiative_(2026)).
- 4 California Legislative Analyst's Office (LAO), Propositions on the November 3, 2026 Ballot, "Proposition 41," <https://lao.ca.gov/BallotAnalysis/Proposition?number=41&year=2026>.
- 5 CA Secretary of State, *Official Voter Information Guide*, "Proposition 41," pp. 60-61.
- 6 Yes on 41 - Californians for Transparency and Accountability, "Endorsements," accessed August 15, 2026, <https://www.yesonprop41.org/endorsements>.
- 7 Queenie Wong, "Google's Sergey Brin Spent \$102 Million Fighting California Wealth Tax," *Los Angeles Times*, August 12, 2026, <https://www.latimes.com/business/story/2026-08-12/googles-sergey-brin-spent-102-million-fighting-california-wealth-tax>.
- 8 Reform California, "Stop CA Tax Hikes - 2026," accessed August 15, 2026, <https://www.reformcalifornia.org/campaigns/stop-the-tax-hikes>.
- 9 Yes on 41, "Endorsements," accessed Aug. 15, 2026.
- 10 Ballotpedia, "California Proposition 41, Prohibit Excluding New State Taxes from Spending Limit and Require Special Tax Audits Initiative (2026)," accessed October 2, 2026, [https://ballotpedia.org/California_Proposition_41_Prohibit_Excluding_New_State_Taxes_from_Spending_Limit_and_Require_Special_Tax_Audits_Initiative_\(2026\)](https://ballotpedia.org/California_Proposition_41_Prohibit_Excluding_New_State_Taxes_from_Spending_Limit_and_Require_Special_Tax_Audits_Initiative_(2026)); Wong, "Sergey Brin," *Los Angeles Times*.
- 11 CA Secretary of State, *Official Voter Information Guide*, "Proposition 41," pp. 60-61.
- 12 California Democratic Party, "2026 General Election Endorsements & Ballot Measure Positions," August 2, 2026, <https://cadem.org/wp-content/uploads/2026/08/FINAL-2026-General-Election-Endorsements.pdf>.
- 13 CA Secretary of State, *Official Voter Information Guide*, "Proposition 41," pp. 60-61.
- 14 Ballotpedia, "Proposition 41."
- 15 CA Secretary of State, *Official Voter Information Guide*, "Proposition 41," pp. 60-61.



CALIFORNIA PROP 42

Prohibits Enactment of New Taxes on Asset Ownership and Retroactive Taxes

Purpose

Proposition 42 is a citizen-initiated constitutional amendment that would make it more difficult to adopt a wealth tax in California by prohibiting enactment of new taxes on ownership of financial assets or other personal property, or taxes that would apply retroactively based on a taxpayer's past activities.¹

Research Assistant: Kaylin Nydam '29

Background

Currently, individuals who reside or work in the State of California must pay income and capital gains taxes on income from investments. However, the state does not tax ownership of financial assets such as stocks, bonds, and retirement accounts, or most other forms of personal property.²

Proposal

Proposition 42 would prevent the state from imposing new taxes on ownership of “retirement holdings, individually-owned assets, and other forms of personal savings,” which are defined to include pensions, retirement accounts, mutual funds, and all tangible and intangible personal property, including business interests, digital assets, intellectual property, and personal belongings.³

Furthermore, the measure would prevent the state from taxing individuals retroactively based on their past activities or residency status—such as billionaires who have left the state to avoid taxes on their wealth.⁴

Proposition 42, like Proposition 41, aims to make it more difficult to impose a wealth tax on billionaires, as proposed by Proposition 40. Specifically, Proposition 40 would levy a one-time tax of five percent on the personal property assets of taxpayers and trusts with net worth exceeding one billion dollars; most of the resulting revenue would be used to fund health care programs.⁵ Proposition 42 contains language stipulating that if it and a conflicting measure both pass, the conflicting measure would be nullified if Proposition 42 receives more votes.⁶

Fiscal Impact

By limiting the types of assets that can be taxed, this measure potentially decreases future state tax revenue. According to the Legislative Analyst's Office (LAO), the extent to which future revenues would be reduced is unclear.⁷ Moreover, blocking the billionaire tax could help the state keep some of its wealthiest residents, averting the loss of income tax revenue from those residents.

SUPPORT FOR PROPOSITION 42

Supporters of Proposition 42 Include:⁸

- California Republican Party
- California Taxpayers Association
- California Small Business Association
- Sergey Brin, Google Co-Founder
- Eric Schmidt, Former CEO of Google
- Reform California
- California Chamber of Commerce

As of September 19, 2026, proponents had raised \$94,762,554.⁹

Arguments for Proposition 42¹⁰

Supporters of Proposition 42 argue that:

- The measure would protect Californians' hard-earned savings from new taxes.
- The state should not double-tax savings and investments that were already taxed as income.
- The state should not be able to enact new taxes that apply retroactively to taxpayers' past earnings.
- A wealth tax would hurt owners of small businesses.

OPPOSITION TO PROPOSITION 42

Opponents of Proposition 42 Include:

- California Democratic Party¹¹
- US Senator Bernie Sanders¹²
- Service Employees International Union-United Healthcare Workers West (SEIU-UHW)¹³

As of September 19, 2026, opponents had raised \$340,225.¹⁴

Arguments Against Proposition 42¹⁵

Opponents of Proposition 42 argue that:

- The measure is a billionaire-funded initiative placed on the ballot because billionaires don't want to pay their fair share.
- Billionaires would rather millions of working Californians lose their health insurance than pay a one-time, modest tax on their extreme wealth.

A YES VOTE ON PROPOSITION 42

A YES vote on Proposition 42 would prohibit future state taxes on asset ownership and retroactive taxes based on a taxpayer's past activities.

A NO VOTE ON PROPOSITION 42

A NO vote on Proposition 42 would not prohibit the state from levying taxes on asset ownership and retroactive taxes.

Endnotes

- 1 The text of the proposed constitutional amendment is at California Secretary of State, *Official Voter Information Guide*, General Election, November 3, 2026, pp. 150-153, <https://vig.cdn.sos.ca.gov/2026/general/pdf/complete-vig.pdf>.
- 2 California Legislative Analyst's Office (LAO), "Proposition 42," accessed September 2, 2026, <https://lao.ca.gov/ballot/2026/prop42-110326.pdf>
- 3 Ballotpedia, "California Proposition 42, Prohibit New Taxes on Retirement Holdings, Personal Assets, and Savings and Limit Retroactive Taxes Initiative (2026)," accessed September 2, 2026, [https://ballotpedia.org/California_Proposition_42_Prohibit_New_Taxes_on_Retirement_Holdings_Personal_Assets_and_Savings_and_Limit_Retroactive_Taxes_Initiative_\(2026\)](https://ballotpedia.org/California_Proposition_42_Prohibit_New_Taxes_on_Retirement_Holdings_Personal_Assets_and_Savings_and_Limit_Retroactive_Taxes_Initiative_(2026))
- 4 California Department of Justice, Office of the Attorney General, "Initiative 25-0041A1: Retirement Protection Act," accessed August 10, 2026, <https://oag.ca.gov/system/files/initiatives/pdfs/25-0041A1%20%28Retirement%20Protection%20%29.pdf>.
- 5 Ballotpedia, "California Proposition 40, One-Time Wealth Tax for State-Funded Healthcare, Education, and Food Assistance Programs Initiative (2026)," accessed August 10, 2026. [https://ballotpedia.org/California_Proposition_40_One-Time_Wealth_Tax_for_State-Funded_Healthcare_Education_and_Food_Assistance_Programs_Initiative_\(2026\)](https://ballotpedia.org/California_Proposition_40_One-Time_Wealth_Tax_for_State-Funded_Healthcare_Education_and_Food_Assistance_Programs_Initiative_(2026)).
- 6 CalMatters, "Proposition 42: Property Taxes," California Voter Guide 2026, accessed August 10, 2026, <https://calmatters.org/california-voter-guide-2026/proposition-42-property-taxes/>.
- 7 LAO, "Proposition 42."
- 8 Ballotpedia, "Proposition 42."
- 9 Ballotpedia, "Proposition 42."
- 10 CA Secretary of State, *Official Voter Information Guide*.
- 11 Ballotpedia, "Proposition 42."
- 12 CA Secretary of State, *Official Voter Information Guide*, p. 65.
- 13 CA Secretary of State, *Official Voter Information Guide*, pp. 64-65.
- 14 Ballotpedia, "Proposition 42."
- 15 CA Secretary of State, *Official Voter Information Guide*.



CALIFORNIA PROP 43

Requires a Two-Thirds Vote to Approve Local Special Tax Initiatives

Purpose

Proposition 43 is a constitutional amendment proposed by the legislature that would raise the vote share required to enact special tax initiatives proposed by citizens from a simple majority to a two-thirds majority.¹

Research Assistant: Kahani Malhotra '27

Background

In 1978, California voters passed Proposition 13, requiring that any special tax proposed by a local government must receive a two-thirds vote from the electorate before being enacted,² with a special tax being defined as any tax imposed for a specific purpose rather than general governmental need.³ In 1996, Proposition 218 further increased the power of voters to approve taxes by requiring that any general tax imposed by a local government must receive majority voter approval, and reaffirmed that special taxes require two-thirds voter approval.⁴

Two decades later, a court decision narrowed the scope of Proposition 218. In 2017, the California Supreme Court ruled in *California Cannabis Coalition v. City of Upland* that a significant requirement for general taxes — that they be placed on the ballot during general elections — did not apply to citizen initiatives.⁵ Ultimately, the court categorized taxes imposed by local governments as different from taxes imposed by citizen initiatives.

The ruling raised an important question: Are special taxes imposed by citizen initiatives exempt from the two-thirds vote requirement that applies to special taxes placed on the ballot by local governments? A memo from the San Francisco attorney's office interpreting the ruling seemed to indicate that the answer was yes.⁶ But the Howard Jarvis Taxpayers Association disagreed. In 2018, the Association sued San Francisco for allowing two separate citizen-driven measures to pass with a simple-majority vote rather than a supermajority vote. A judge ruled against the Association, affirming that the special tax measures were rightfully passed by majority vote since they were proposed by citizens.⁷ A state appeals court shot down the Association's further attempts to overturn citizen-initiated local taxes passed in 2020⁸ and 2021.⁹

In 2023, the Association and the California Business Roundtable qualified an initiative¹⁰ for the 2024 ballot cycle that would have mandated any special tax initiative to require a two-thirds majority vote regardless of whether a local government or citizens proposed it.¹¹ But in June 2024, the California Supreme Court ruled unanimously that passage of the initiative would lead to a "revision," rather than an amendment, of the state constitution, "based on its far-reaching changes to existing processes by which revenue measures are enacted and maintained at the state and local levels." While amendments may be made by citizen initiatives, revisions require "a constitutional convention and popular ratification."¹² Thus, enacting the proposal by initiative would be unconstitutional.

In 2026, the same two organizations qualified an initiative for the 2026 general election ballot that would have amended the state constitution to require a two-thirds majority to pass citizen-led local special tax initiatives, alongside other tax limiting provisions.¹³ Following a legislative compromise, which included the passage of ACA 22,¹⁴ the organizations withdrew the initiative in favor of Proposition 43 being placed on this year's ballot as a legislatively referred constitutional amendment.¹⁵ Though ACA 22 passed nearly unanimously in the Assembly (68-2) and Senate (35-1), its author, Assemblymember Buffy Wicks (D-14), announced on June 29 that she was "adamantly opposed to it."¹⁶

Proposal

Proposition 43 would amend the California Constitution to require that citizen-driven special tax initiatives require a two-thirds majority vote for passage. It would add Section 4.5 to Article XIII A of the California Constitution, detailing that any local government — including voters within a local government exercising the initiative power — must obtain a two-thirds vote to enact, extend, or increase a special tax starting on January 1, 2027.

The amendment also prohibits local government and members of the electorate from levying ad valorem property taxes — taxes based on the value of real estate or tangible personal property — except for certain preapproved, dedicated property taxes, whose terms are delineated in the Constitution.¹⁷

Fiscal Impact

The California Legislative Analyst's Office (LAO) estimates that Proposition 43 would reduce local government tax revenues. The total fiscal impact is largely unknown, however, as it depends on future decisions by voters and local governments.¹⁸

SUPPORT FOR PROPOSITION 43

Supporters of Proposition 43 Include:¹⁹

- Howard Jarvis Taxpayers Association²⁰
- California Taxpayers Association
- California Small Business Association
- Family Business Association of California
- California Hispanic Chambers of Commerce
- Reform California²¹
- California Republican Party

The proponents' official website is "Yes on 43: Taxpayer Protection," <https://yesonprop43.com/>.

As of September 19, 2026, proponents had raised a total of \$14,856,760.²²

Supporters argue that Proposition 43 would:²³

- Restore the protections of Prop. 13 (1978) by closing loopholes created by courts so that local special taxes must be approved by two-thirds of voters.
- Make it more difficult for special interests to collude with local governments to impose costly taxes on homeowners, renters, and small businesses.
- Ensure that taxpayers are in charge by fully protecting their right to vote on taxes.
- Prevent other rollbacks of Proposition 13.

OPPOSITION TO PROPOSITION 43

Opponents of Proposition 43 Include:²⁴

- California Democratic Party²⁵
- State Assemblymember Buffy Wicks (D-14)²⁶
- Evolve California²⁷
- Sierra Business Council
- California Professional Firefighters
- Nurse Alliance of SEIU California
- California School Employees Association
- California State Association of Counties
- League of Women Voters of California
- California Teachers Association

The opponents' official website is "No on 43," <https://www.noprop43ca.com/>.

As of September 19, 2026, opponents had raised a total of \$4,864,393.²⁸

Opponents argue that Proposition 43 would:²⁹

- Threaten funding for parks, affordable housing, firefighting, and other crucial local services that rely on local revenue.³⁰
- Make it more difficult for cities to secure future revenue measures.³¹
- Make California "the hardest place in the country" to raise local revenue.³²
- Undermine majority rule by empowering a minority to block tax measures favored by a supermajority of voters.

A YES VOTE ON PROPOSITION 43

A YES vote for Proposition 43 would increase the threshold to pass citizen-led special tax initiatives to a two-thirds majority vote.

A NO VOTE ON PROPOSITION 43

A NO vote for Proposition 43 would maintain a simple majority requirement to pass citizen-led special tax initiatives.

Endnotes

- 1 The text of this proposed constitutional amendment is at California Secretary of State, *Official Voter Information Guide, General Election, November 3, 2026*, p. 153, <https://vig.cdn.sos.ca.gov/2026/general/pdf/complete-vig.pdf>.
- 2 California Constitution, Art. XIII A, sec. 4.
- 3 California Constitution, Art. XIII C, sec. 1.
- 4 California Constitution, Art. XIII C, sec. 2.
- 5 *California Cannabis Coalition v. City of Upland*, 3 Cal. 5th 924 (2017).
- 6 Matthew Lee, memorandum to Nicole Elliott, “Validity of State Administrative Rule Purporting to Preempt Local Regulation of Cannabis Deliveries,” February 21, 2025, City and County of San Francisco, <https://media.api.sf.gov/documents/Opinion-re-Validity-of-State-Cannabis-Delivery-Rule.pdf>.
- 7 Dominic Fracassa, “Judge Says SF Correct in Passing Two Tax Measures on Simple Majority Vote,” *San Francisco Chronicle*, July 5, 2019, <https://www.sfchronicle.com/bayarea/article/Judge-says-SF-correct-in-passing-two-tax-measures-14074436.php>.
- 8 City and County of San Francisco v. All Persons Interested in the Matter of Proposition C, 51 Cal. 5th 703 (2020), <https://cases.justia.com/california/court-of-appeal/2020-a158645.pdf?ts=1593558072>.
- 9 *Howard Jarvis Taxpayers Association v. City and County of San Francisco*, 60 Cal. 5th 227 (2021), <https://www4.courts.ca.gov/opinions/documents/A157983.PDF>.
- 10 Ballotpedia, “California Two-Thirds Legislative Vote and Voter Approval for New or Increased Taxes Initiative (2024),” [https://ballotpedia.org/California_Two-Thirds_Legislative_Vote_and_Voter_Approval_for_New_or_Increased_Taxes_Initiative_\(2024\)](https://ballotpedia.org/California_Two-Thirds_Legislative_Vote_and_Voter_Approval_for_New_or_Increased_Taxes_Initiative_(2024)).
- 11 Amendment #1 to Initiative No. 21-0042 “The Taxpayer Protection and Government Accountability Act,” January 4, 2022, p. 7, <https://oag.ca.gov/system/files/initiatives/pdfs/21-0042A1%20%28Taxes%29.pdf#page=7>.
- 12 *Legislature of the State of California v. Weber*, Cal. (2024), p. 12, <https://cases.justia.com/california/supreme-court/2024-s281977.pdf?ts=1718902909#page=13>.
- 13 Amendment for Proposed Initiative 25-0006, “Local Taxpayer Protection Act to Save Proposition 13 (Version 3) Amendment #1,” <https://oag.ca.gov/system/files/initiatives/pdfs/25-0006A1%20%28%26quot%3BLocal%20Taxpayer%20Protection%20Act%20to%20Save%20Proposition%2013%20%28Version%203%29%26quot%3B%29.pdf#page=2>.
- 14 *Assembly Constitutional Amendment No. 22*, California Assembly, Chapter 132 (2026), https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260ACA22.
- 15 Ballotpedia, “California Proposition 43, Two-Thirds Vote Requirement for Local Special Tax Initiatives and Property Tax Initiative Prohibition Amendment (2026),” [https://ballotpedia.org/California_Proposition_43,_Two-Thirds_Vote_Requirement_for_Local_Special_Tax_Initiatives_and_Property_Tax_Initiative_Prohibition_Amendment_\(2026\)#cite_note-17](https://ballotpedia.org/California_Proposition_43,_Two-Thirds_Vote_Requirement_for_Local_Special_Tax_Initiatives_and_Property_Tax_Initiative_Prohibition_Amendment_(2026)#cite_note-17).
- 16 Buffy Wicks (@BuffyWicks), “I’m the author of ACA 22. I’m also adamantly opposed to it,” Twitter/X, June 29, 2026, 10:43 PM, <https://x.com/BuffyWicks/status/2071801817915421109>.
- 17 California Legislative Analyst’s Office (LAO), “Understanding California’s Property Taxes,” November 29, 2012, <https://lao.ca.gov/reports/2012/tax/property-tax-primer-112912.aspx>.
- 18 LAO, Propositions on the November 3, 2026 Ballot, “Proposition 43,” <https://lao.ca.gov/BallotAnalysis/Proposition?number=43&year=2026>.
- 19 CA Secretary of State, *Official Voter Information Guide*, pp. 68-69.
- 20 Jon Coupal, “The Two-Thirds Vote Requirement for Taxes Is Fair,” Howard Jarvis Taxpayers Association, <https://www.hjta.org/california-commentary/the-two-thirds-vote-requirement-for-taxes-is-fair/>.
- 21 “Stop CA Tax Hikes - 2026,” Reform California, <https://www.reformcalifornia.org/campaigns/stop-the-tax-hikes>.
- 22 Ballotpedia, “Proposition 43.”
- 23 CA Secretary of State, *Official Voter Information Guide*, pp. 68-69.
- 24 CA Secretary of State, *Official Voter Information Guide*, pp. 68-69.
- 25 California Democratic Party, 2026 Executive Board Meeting (Floor Packet), August 2, 2026, <https://cadem.org/wp-content/uploads/2026/08/2026-July-EBoard-Floor-Report-Packet.pdf>.
- 26 Buffy Wicks (@BuffyWicks), “I’m the author of ACA 22. I’m also adamantly opposed to it,” Twitter/X.
- 27 Evolve California, “Stop Prop. 43,” <https://www.evolve-ca.org/stop-prop-43>.
- 28 Ballotpedia, “Proposition 43.”
- 29 CA Secretary of State, *Official Voter Information Guide*, pp. 68-69.
- 30 Buffy Wicks (@BuffyWicks), “I’m the author of ACA 22. I’m also adamantly opposed to it,” Twitter/X.
- 31 Evolve California, “Stop Prop. 43.”
- 32 Evolve California, “Stop Prop. 43.”



CALIFORNIA PROP 44

Requires Community Health Clinics to Spend 90% of Revenue on Program Services

Purpose

Proposition 44 is a citizen-initiated statute that would require certain nonprofit community health clinics that receive federal funding to spend at least 90% of their annual revenue on direct health care services, limiting administrative and other non-care spending to the remaining 10%.¹

Research Assistant: Toby Forster '29

Background

A community health clinic is a facility that provides a variety of health care services, often at low or no cost, to low-income or uninsured residents. The Legislative Analyst's Office (LAO) estimates that nearly 2,000 such clinics exist in California.² Many of the largest clinics are Federally Qualified Health Centers (FQHCs) and FQHC "look-alikes," nonprofit clinics that receive federal funding or reimbursement.³ FQHCs can get funding through federal grants, whereas lookalikes are only eligible for government funds through insurance reimbursements or workforce programs.⁴

Community health clinics assist a growing number of Californians. According to the California Health Care Foundation, California had 5.8 million patients enrolled in such clinics in 2024—up from 4.7 million in 2017.⁵ Seventy-two percent of these patients are covered by Medi-Cal, California's Medicaid program for low-income residents.⁶ Patient revenue is the primary source of funding for community clinics; according to the California Health Care Foundation, 81% of funding for FQHCs came from patient revenue in 2024, with federal funds only accounting for 9%.⁷

Clinics typically spend most of their revenue on providing health care services to their patients. The LAO estimates that, on average, private nonprofit health care clinics spend 80% of their revenue on health care services, though this percentage varies from clinic to clinic.⁸ The remaining revenue is spent on administrative and other expenses.

Proposal

Proposition 44 would require that FQHCs and FQHC lookalikes meet a "mission spend ratio," whereby 90% of a clinic's revenue must advance the clinic's mission.⁹ Administrative and other non-mission-related expenses would be reduced to a maximum of 10%, approximately half of what the average private nonprofit health clinic spends now.¹⁰ If Proposition 44 passes, the Attorney General would define which specific expenses qualify as mission-related.

Proposition 44 also includes penalties for clinics that fail to meet the mission spend ratio. The penalty would be equal to the difference between the amount the clinic spent on mission-related expenses during the year and the 90% requirement.¹¹ Penalties would be refunded if centers became compliant within five years; otherwise, the state would spend the funds on other clinic workforce programs. Clinics receiving penalties for noncompliance would have 30 days to dispute the mission spend ratio calculation.

Fiscal Impact

Proposition 44 would entail state enforcement costs, including financial review and potential investigation of health clinics. According to the proposition, enforcement costs would be in the low tens of millions of dollars each year, which could be covered by the penalties charged to clinics.

The LAO notes, however, that Proposition 44 could create uncertain costs for state and local governments.¹² Uncertainty arises in part because the Attorney General has not yet defined what qualifies as health care-related expenses. In addition, it's unknown how many clinics will comply with the new requirements. Should numerous clinics fail to comply with the mission spend ratio, enforcement costs could be higher than anticipated. On the other hand, if clinics are largely compliant, an increase in service delivery could force the state to pay more in health insurance reimbursements, since many FQHC patients are enrolled in Medi-Cal. The LAO also notes that Proposition 44 could cause FQHCs to close.¹³

SUPPORT FOR PROPOSITION 44

Supporters of Proposition 44 Include:

- Service Employees International Union-United Healthcare Workers West (SEIU-UHW West)¹⁴
- Californians for Responsible Healthcare¹⁵

As of September 19, 2026, proponents had raised \$16,929,633, all of which was contributed by SEIU-UHW West.¹⁶

Arguments for Proposition 44

Supporters argue Proposition 44 would:¹⁷

- Require more taxpayer funding go directly to patient care and not to bloated CEO salaries and other wasteful spending.
- Respond to cuts in federal healthcare support by forcing clinics to spend scarce resources more efficiently.
- Increase transparency and accountability in how clinics spend taxpayer money.

OPPOSITION TO PROPOSITION 44

Opponents of Proposition 44 Include:¹⁸

- California Democratic Party
- California Republican Party
- California Chamber of Commerce
- California Hospital Association
- Planned Parenthood Affiliates of California
- Reform California

As of September 19, 2026, opponents had raised \$37,616,355. AltaMed Health Services Corporation donated \$5,467,868.¹⁹

Arguments Against Proposition 44

Opponents argue Proposition 44 would:

- Cut essential services, as administrative staff and non-mission specific costs are necessary to keep the clinics functioning.²⁰
- Impair a clinic's ability to make facility improvements, including repairs and equipment upgrades.²¹
- Likely force some clinics to close, intensifying the burden on already-strained emergency rooms.²²

A YES VOTE ON PROPOSITION 44

A YES vote on Proposition 44 would require private nonprofit health care clinics, including FQHCs, to spend at least 90% of their annual revenue on mission-related health care services.

A NO VOTE ON PROPOSITION 44

A NO vote on Proposition 44 would preserve the status quo, allowing clinics to spend less than 90% of revenue on health care services.

Endnotes

- 1 The text of the proposition is at California Secretary of State, *Official Voter Information Guide*, November 3, 2026, pp. 153-157, 2026, <https://vig.cdn.sos.ca.gov/2026/general/pdf/complete-vig.pdf>.
- 2 California Legislative Analyst's Office (LAO), Propositions on the November 3, 2026 Ballot, "Proposition 44," <https://lao.ca.gov/BallotAnalysis/Proposition?number=44&year=2026>.
- 3 Ballotpedia, "California Proposition 44, Spending Requirements for Federally Qualified Health Centers Initiative (2026)," accessed August 10, 2026, [https://ballotpedia.org/California_Proposition_44_Spending_Requirements_for_Federally_Qualified_Health_Centers_Initiative_\(2026\)](https://ballotpedia.org/California_Proposition_44_Spending_Requirements_for_Federally_Qualified_Health_Centers_Initiative_(2026)).
- 4 FQHC Associates, "What Is an FQHC Look-Alike?," accessed September 2, 2026, <https://www.fqhc.org/fqhc-look-alike-info>.
- 5 Matthew Newman and James Paci, "California's Community Clinics Almanac — 2026 Edition," California Health Care Foundation, May 28, 2026, <https://www.chcf.org/resource/2026/05/28/california-community-clinics-almanac/>.
- 6 Newman and Paci, "California's Community Clinics Almanac — 2026 Edition."
- 7 Newman and Paci, "California's Community Clinics Almanac — 2026 Edition."
- 8 LAO, "Proposition 44."
- 9 Ballotpedia, "Proposition 44."
- 10 LAO, "Proposition 44."
- 11 LAO, "Proposition 44."
- 12 LAO, "Proposition 44."
- 13 LAO, "Proposition 44."
- 14 SEIU-United Healthcare Workers West, "Prop 44: The Clinic Funding Accountability and Transparency Act," last modified July 24, 2026, <https://www.seiu-uhw.org/prop44/>.
- 15 Ballotpedia, "Proposition 44."
- 16 Ballotpedia, "Proposition 44."
- 17 SEIU-United Healthcare Workers West, "Prop 44."
- 18 Ballotpedia, "Proposition 44."
- 19 Ballotpedia, "Proposition 44."
- 20 San Diego Regional Chamber, "Chamber Opposes Prop 44: Here's Why," July 23, 2026, <https://sdchamber.org/2026/07/chamber-opposes-prop-44-heres-why/>.
- 21 Mandy Asgeirsson et al., "Study of Potential Impacts from the Attorney General Initiative 25-0008A1," Berkeley Research Group, November 2025, https://protectpatientsca.com/wp-content/uploads/2025/11/BRG-Report-on-Clinic-Funding-Accountability-Transparency-Act-2025_1117.pdf.
- 22 Ballotpedia, "Proposition 44."



CALIFORNIA PROP 45

Expedites Environmental Review Requirements for Certain Projects

Purpose

Proposition 45 is a citizen initiated measure that would create an optional, expedited environmental review, permitting, and judicial process under the California Environmental Quality Act (CEQA), with binding deadlines for agencies and courts, for projects the measure designates as “essential.”¹

Research Assistant: Jathan Pai '28

Background

Enacted in 1970, CEQA requires state and local agencies to consider how a proposed project might harm the environment before approving it. The Act applies to many kinds of public and private projects.² When a project's significant impacts cannot be avoided with minor changes, the agency must prepare an environmental impact report (EIR), a detailed study of the project's likely impacts and of alternatives that could reduce them. Most projects do not require one.³ Anyone who believes an agency did not follow CEQA may sue, and a favorable court ruling can stop the entire project until the agency fixes the problem.⁴

Figure 1.

Proposition 45: Projects Eligible for Fast Track

Applicants may choose the new procedures or keep the existing CEQA process

- **Housing**
- **Water systems** (excludes Delta conveyance facilities)
- **Clean energy** (excludes nuclear power)
- **Health facilities, clinics, medical offices**
- **Fire, police, and sheriff's stations**
- **Wildfire risk reduction**
- **Broadband internet access**
- **Education facilities**
- **Transportation** (excludes high-speed rail)

Source: California Legislative Analyst's Office, "Proposition 45," Figure 1 (2026).

Proposal

Proposition 45 would let applicants for eligible projects choose between existing CEQA procedures and a new, faster set of procedures. The eligible categories, with their exclusions, are shown in Figure 1.⁵

For opted-in projects, the reviewing agency would have to specify up front all information an application must contain, judge the project by the laws and standards in effect when the application is filed, and finish an EIR within 365 business days. The applicant could develop a single project alternative rather than several, and public comment periods would be capped at 45 days for a draft EIR, extendable only by court order.⁶ Required tribal consultation would be limited to federally recognized tribes.⁷

The measure would also change how courts handle CEQA challenges to these projects. It would narrow the scope of what a court may consider; require courts to resolve challenges, including appeals, generally within 270 days; and bar courts from stopping an entire project. Only the portion found out of compliance could be halted while the agency fixes it.⁸

Fiscal Impact

The California Legislative Analyst's Office (LAO) estimates initial costs to state and local governments, including the courts, to be the high tens of millions of dollars annually. Most of these initial costs would be associated with the adoption of new procedures. Fees paid by applicants and litigants would cover some of these costs, and some costs would likely decline over time. Longer-term fiscal effects are uncertain, could be more substantial than the near-term costs, and could be positive or negative.⁹

SUPPORT FOR PROPOSITION 45

Supporters of Proposition 45 Include:¹⁰

- California Chamber of Commerce
- Building a Better California
- California Building Industry Association (CBIA)
- California Housing Consortium
- Associated General Contractors of California
- Reform California
- California Republican Party
- California Hospital Association

The proponents' official website is <https://yesonprop45.com/>.

As of September 19, 2026, proponents had raised a total of \$70,027,383.¹¹

Arguments for Proposition 45¹²

Supporters of Proposition 45 argue that:

- The state's environmental review law is outdated and has resulted in expensive bureaucracy and frivolous litigation that slow development.
- Delays increase costs that are ultimately passed on to taxpayers and consumers.
- The measure speeds development while keeping essential environmental protections, and the existing process remains available to any applicant who prefers it.

OPPOSITION TO PROPOSITION 45

Opponents of Proposition 45 Include:¹³

- Sierra Club California
- Communities for a Better Environment
- Clean Water Action and Californians Against Waste
- Greenbelt Alliance¹⁴
- California Democratic Party
- Construction trades unions, including the State Building and Construction Trades Council of California and the District Council of Iron Workers¹⁵

The opponents' official website is <https://www.noprop45ca.com/>.

As of September 19, 2026, opponents had raised \$15,076,149.¹⁶

Arguments Against Proposition 45¹⁷

Opponents of Proposition 45 argue that:

- The legislature already enacted major CEQA streamlining in 2025 (AB 130 and SB 131), making the measure unnecessary.
- "Essential" is defined so broadly that it sweeps in highways, dams, and large subdivisions that cannot be adequately reviewed within the measure's one-year limit.
- The measure guts the alternatives analysis that steers projects toward less harmful designs, and freezing review standards at the application date would block agencies from applying updated science.
- The measure could be amended only by a two-thirds vote of the legislature, making mistakes difficult to fix.
- Weakened enforcement would shift the long-term costs of poorly planned projects onto communities and taxpayers.

A YES VOTE ON PROPOSITION 45

A YES vote on Prop. 45 would make certain public and private projects eligible for new environmental review and court challenge procedures with tighter time limits and a narrower scope of judicial review.¹⁸

A NO VOTE ON PROPOSITION 45

A NO vote on Prop. 45 would leave existing CEQA review and court challenge procedures in place for all projects.¹⁹

Endnotes

- 1 The text of the proposed initiative statute is at California Secretary of State, *Official Voter Information Guide, General Election, November 3, 2026*, pp. 157-173, <https://vig.cdn.sos.ca.gov/2026/general/pdf/complete-vig.pdf>.
- 2 California Legislative Analyst's Office (LAO), Propositions on the November 3, 2026 Ballot, "Proposition 45," <https://lao.ca.gov/BallotAnalysis/Proposition?number=45&year=2026>; LAO, A.G. File No. 2025-023, December 10, 2025, Initiative Fiscal Analysis, <https://lao.ca.gov/BallotAnalysis/Initiative/2025-023>.
- 3 LAO, "Proposition 45."
- 4 LAO, "Proposition 45."
- 5 LAO, "Proposition 45," Figure 1.
- 6 LAO, "Proposition 45."
- 7 LAO, "Proposition 45" (tribal consultation limited to federally recognized tribes); California Association of Environmental Professionals, "Prop 45," accessed August 27, 2026, https://www.califaep.org/prop_45.php.
- 8 LAO, "Proposition 45."
- 9 LAO, "Proposition 45."
- 10 CalMatters, 2026 Voter Guide, "Proposition 45, Speed up environmental reviews for housing and infrastructure," <https://calmatters.org/california-voter-guide-2026/proposition-45-environmental-review/>.
- 11 Ballotpedia, "California Proposition 45, Changes to Environmental Review Process for Certain Projects Initiative (2026)," [https://ballotpedia.org/California_Proposition_45_Changes_to_Environmental_Review_Process_for_Certain_Projects_Initiative_\(2026\)](https://ballotpedia.org/California_Proposition_45_Changes_to_Environmental_Review_Process_for_Certain_Projects_Initiative_(2026)).
- 12 CalMatters, "Proposition 45"; LAO, "Proposition 45"; and CA Secretary of State, *Official Voter Information Guide*, pp. 78-79.
- 13 CalMatters, "Proposition 45"; Jordan Grimes, "Chamber-Backed CEQA Initiative Is a Proposition Californians Can't Afford: No on Prop 45," Greenbelt Alliance, August 11, 2026, <https://www.greenbelt.org/blog/ceqa-baca-initiative/>.
- 14 Grimes, "Chamber-Backed CEQA Initiative."
- 15 FPPC, "November 2026 General Election."
- 16 Ballotpedia, "Proposition 45."
- 17 CalMatters, "Proposition 45"; Grimes, "Chamber-Backed CEQA Initiative." See also CA Secretary of State, *Official Voter Information Guide*, pp. 78-79.
- 18 LAO, "Proposition 45" ("What Your Vote Means").
- 19 LAO, "Proposition 45" ("What Your Vote Means").





ROSE INSTITUTE
OF STATE AND LOCAL GOVERNMENT

CLAREMONT MCKENNA COLLEGE